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AUSTRIA

Haider on Personal, Party Plans, Waldheim 36200043 Vienna DIE PRESSE in German 4 Dec 87 p 3

[Interview with Joerg Haider, head of the Austrian Liberal Party (FPOe), by Andreas Koller, member of the DIE PRESSE editorial staff]

[Text] [Question] Dr Haider, you have cultivated a rather aggressive style of opposition since taking office. Nevertheless it could happen that someday you will be called on to enter into a coalition. Would you then be willing to talk about this?

[Answer] The line taken by the opposition is less an aggressive one than one situated in the inability of the present government to genuinely solve our problems. Of course, this also requires appropriately sharp attacks on the part of the opposition. On the other hand, today the FPOe is certainly more than ever in a position—including what it has to offer in terms of its personnel—to directly bear joint responsibility in a government, but certainly not at any price.

[Question] Then you would be willing to enter into a coalition as vice-chancellor?

[Answer] I exclude that possibility, if things go according to my personal notions of how they should, because I think that the mistake that happened in 1983—when the head of the smaller party joined a coalition and at the same time himself took a ministerial office—is not a clever move. Thus the head of the party will primarily have the task of leading the party and of modifying whatever happens in the government, instead of himself becoming entangled in the day-to-day affairs of the government and no longer having any time for long-range political work and government policy modification.

[Question] This means that you would remain head of the party, but not become vice-chancellor?

[Answer] So long as the approval of the delegates is there, I would remain party chief. But I do not have any intentions of entering into a government.

[Question] Who would be your vice-chancellor?

[Answer] There are certainly a number of outstanding people among us, from Kruenes to Gugerbauer to Dillersberger and the rest of them, each one of whom himself constitutes an independent personality that is qualified to a high degree.

[Question] You have shown interest in becoming head of the government in the province of Kaernten, with the help of the OeVP [Austrian People's Party]. [Answer] I have not yet made up my mind about being a candidate in Kaernten, but in any case the thought of having a liberal as head of the government in a province of Austria is an attractive one. But so far I have not yet supplemented this thought with any detailed practical political considerations.

[Question] Among other things, the coalition could collapse in the face of the "Waldheim case." In your opinion, has the federal president behaved properly up to now?

[Answer] Federal President Waldheim is not and was not the candidate of the FPOe, and therefore we try to keep out of the discussion as much as possible, and also we do not intend to give him any advice. He is behaving the way we judged he would, which was also the reason why we did not support him.

[Question] How did you judge him?

[Answer] That he is not the "strong federal president" and that despite his cited long years of experience he does not have that paramount superiority needed to allow him to ward off in advance many of the spears that are focused on him today.

[Question] And how is he, in your opinion, going to behave in the coming months?

[Answer] I think that it will be difficult for him to change anything at all with respect to the structure of his personality.

[Question] From the "Waldheim case" to the year 1938. How will you be observing the coming memorial year?

[Answer] We are going to prepare a sort of symposium in conjunction with the Political Academy and a research group, which will concern itself also with bringing to light the historical truth. As is surely generally known, it was the Social Democrats headed by Otto Bauer who were especially oriented Anschluss-wise toward viewing Austria as a portion of the German Reich or of the German Republic, and it is also not the case that then in 1933 they had revised that view; instead, in 1938 the Social Democrats by way of their leader Renner went so far as to make a heartfelt declaration in which they greeted the Anschluss as a fulfillment of their long-cherished desires.

[Question] On our national holiday you said that in 1938 Austria merely stumbled from one dictatorship into another. Do you really see no difference between the corporate state and national-socialist rule?

[Answer] As far as the fact is concerned it is certainly really true that in 1938 many people, including many Social Democrats, hopefully turned to National Socialism, not least for the reason that they had become familiar with the dictatorship of the Dollfuss Regime. It

is true of course that one can find huge differences in the details. Especially as concerns discrimination against ethnic and racial minorities in a nation. But one should not say that by way of apologizing for the dictatorship that existed in Austria under the Dollfuss regime, because this dictatorship was already bad enough.

[Question] Another quote from Haider. At the election campaign kick- off in Vienna, you asked the question of whether it is necessary for Austria, with its 140,000 unemployed, to have 180,000 guest workers. That brought you the charge of being hostile to foreigners.

[Answer] I am fully standing by this quote, because I am of the opinion that Austria must also become more conscientiously united in relation to the employment of foreigners. Currently we have a system where it is relatively easy to find a job in Austria as a foreigner. Or even to emigrate here illegally and to work under illegal employment circumstances. When one realizes that just in Vienna alone, more than 2,000 Polish and Hungarian workers who do not have any residence permits at all are being employed primarily by Austrian firms at Austriangovernment construction sites, and that the labor-market administration or the pertinent contracting authority such as the municipality of Vienna or the Federal Government do not care at all that jobs of Austrian construction workers are unjustly being taken away from them here, then that is a justification for articulating this situation for a change.

[Question] In Burgenland you have supported the candidate Robert Duerr, who is being reproached for his collaboration with an extreme-right journal. Have you by now also distanced yourself from Duerr?

[Answer] No. Robert Duerr is one of the people of whom I personally have a high opinion. I am also sticking to this opinion. I consider him to be an outstanding fellow and am convinced that he will not disappoint my assessment of him.

[Question] Dr Haider, you have a rather strict hand in your party. You ousted Steger, you kicked out Goetz, and you are waging a running battle with Ferrari-Brunnenfeld, just to name some cases. Do you not fear the anger of your opponents if someday you no longer produce electoral victories for a while?

[Answer] Oh well, in politics one simply must not be cowardly. One must also take many risks. I only refuse to accept the contention that I have ousted any people. I beat Mr Norbert Steger in a democratic vote in the truest sense of the word, since nobody knew how it would really turn out. There the risk was equally shared, for me perhaps there was even more risk, because to dethrone an incumbent vice-chancellor is probably more difficult than to compete otherwise under equivalent preconditions.

[Question] You are now 37 years old. What are your further plans in your political life?

[Answer] In the autumn of 1986 I made myself available for this candidacy with really some reluctance, since earlier I had the feeling that this would impose on the party too great an ordeal. Meanwhile it has been seen that this was the right step to take in order to rescue the party from a threat to its existence. We are on a trend of successes such as we never had before in our history. I want to contribute a little more to this. Personally, I would not like to remain forever in politics.

12114

FEDERAL REPUBLIC OF GERMANY

Bundesbank VP Proposes Changes in Social Security System

36200037 Duesseldorf HANDELSBLATT in German 10 Dec 87 p 5

[Article: "Helmut Schlesinger: Social Problems Cannot Be Solved by Economic Development"]

[Text] Bonn. In Helmut Schlesinger's opinion, current economic development will not prove very helpful in solving demographically determined social problems. The vice president of the Bundesbank said in a report to the members' congress of the BDA [League of German Workers] that in the long term a significant improvement in growth possibilities was not to be expected.

Growth rates of the real GNP in the 60's and 70's from 4.5 percent to barely 3 percent were probably things of the past. In the face of the economic prospects Schlesinger made the following proposals for social security legislation:

- —A basic restructuring of the social security system to a uniform pension or a universal base insurance should be rejected, especially because the merit principle has to be preserved in social security legislation.
- —A greater increase in the state contribution would only transfer the burdens between public budgets. In any case, when the tax reform law of 1990 comes into effect, the deficit of the regional corporations would amount to 3 or even 3.5 percent of the GNP. Even if this proportion were later somewhat reduced, after 1990 there will be no room for maneuvering with an expanded deficit.
- —A reversal of the trends towards earlier and earlier retirement, on the other hand, would definitely have a positive effect on the general economy and pension financing. The lowering of the average retirement age to around 60 today is in part the result of an unfavorable job market. If the market improves over the long term, older workers will find it easier to work longer than they do now. In the long run the question arises of whether the age limit will not have to be raised incrementally.

—Establishing a net pension level would not be adequate as the retiree's contribution to a solution of the problem, since even then the contributions would rise astronomically, particularly in view of the fact that the burden of health insurance payments would increase because of the age structure.

—For distribution policy, a limited lowering of the relative pension level would be much more palatable. For in that case it would not be a question of an absolute decrease in pension but of a reduction in the rate of increase. In addition, in general the living conditions of retirees is quite satisfactory at the moment.

—In order to prevent a lowering of pension to or even below the welfare threshold, the introduction of a minimum pension provision should be investigated; this should not be confused with a universal base pension.

Schlesinger went on to say that no matter how rises in contributions were combined with a lowering of pension levels, in the long term the individual social security recipient would not be able to count on such a favorable ratio between earnings and payback as he has in the current social security system.

Calculations of the Bundesbank showed that in view of the expected developments in contributions and pensions, private provisions through capital formation would be more beneficial for the individual. But the requirement was that the interest rate would be higher in the long term than the average increase in compensation, which seemed plausible.

Such bookkeeping calculations, however, should not be an excuse to question the social security system. But there must be more room for private provisions for old age based on capital formation, including that provided by business, in order to close the insurance gap resulting from a drop in the pension levels. But another prerequisite for this were relatively stable conditions in tax legislation and assessment amounts as well as currency stability.

In the ensuing panel discussion, Prof. Hans-Juergen Krupp, President of the German Institute for Economic Research, said that until the year 2000 there would be a high level of unemployment. But by 2010 at the latest the situation would probably change drastically. The relative proportion of older people would increase and there would be a shortage of workers. Then it would no longer be a question of establishing a labor policy to relieve the labor market, but of utilizing the reservoir of workers as completely as possible.

The planned pension reform should on the one hand not exacerbate current labor force problems, and on the other hand it should achieve the long-term financing of social security. For that reason the upper age limit had to remain flexible. An alteration of the age limit by only a few years meant a significant change in relative tax

burdens. The increasing tendency to exclude the costs of normal risks from social security and make them the responsibility of community social programs had to be countered. Everyone would have to realize that he had to take care of and pay for his own social security.

An insurance obligation for everyone, which would be guaranteed by a minimum insurance, was necessary, since otherwise the community would have to intervene again. This minimum insurance should be financed not by redistribution but by individual contributions. The favorable treatment of non-wage-earning women in the current social security system and the accumulation of claims for the insuree or for surviving dependents had to be eliminated.

At the same time any disadvantage in the social security system to women who were raising children appeared not to be tolerable in the long run. The significance of raising children ought to be ackowledged in social security as well, and the state and/or the joint liability company ought to take over the contributions for this time period. For the stability of the old age insurance system depended essentially on the size of succeeding generations.

Finally there ought to be reflection on the kind of redistribution the system created which was no longer justified because of current social developments. As an example Krupp mentioned the favorable treatment of those who took advanced degrees.

For Hans Guenter Zempelin, member of the BDA's executive, the concept of social peace which arouses so much sympathy, particularly here in Germany, should not be used as an excuse to disguise property owners' class thinking, opportunism, or the politics of appeasement. Reforms in pension and health insurance would have to be given clear priorities to limit or lower the burden of contributions for workers and employers. The contributions could scarcely be achieved with the necessary consistency if the reforms under consideration were only half-heartedly pursued and at the same time there were high-flown promises of brand new achievements. This would not do a service to the first priority of economic policy, that of encouraging growth.

09337

Conservative JU Youth Disillusioned With CDU/CSU

36200041a Bonn RHEINISCHER MERKUR in German 27 Nov 87 p 4

[Commentary by Juergen Wahl: "We Will Just Do Our Own Thing, That's All"]

[Text] Christoph Boehr, 32, is "doing his final stint" as chairman of the "Junge Union" (JU), the joint CDU/CSU youth organization. Last weekend, more than 85 percent of the delegates voted for Boehr to continue

leading the JU almost to the age limit of 35. He has been doing his job with a lot of dedication and courage. But when one observer asked Boehr about the JU's younger members eagerness to serve, the chairman's response was curt indeed. The JU, he said, is having an increasingly hard time finding members who are willing to "assume responsibility for any length of time."

Anyone who has attended all or almost all the "Germany Days" over the past several decades was forced to conclude that this particular meeting was the most introspective, serious and the least radical ever. The Kiel syndrome did have something to do with it, to be sure. But more importantly, it was the realization that the CDU/CSU losses among young voters have raised fundamental questions and problems which must be resolved.

The 300 delegates took to Norbert Bluem who debated with them for hours. When there was applause at the mention of the human rights commitment of the "Christian Socialist in action," the Bavarian delegates rose from their seats along with everyone else—with only a few exceptions. During the summer free-for-all, Bavarian JU chairman Gerd Mueller had lent firm support to Boehr despite pressure from inside the party and Boehr, for his part, had helped block attacks by conservatives against Heiner Geissler, Rita Suessmuth and Norbert Bluem.

But what good does one man like Bluem do? With the exception of Peter Hintze, the civilian service official and Landtag deputy, not a single prominent CDU/CSU politician showed up at the Dortmund meeting—not counting speakers, of course. Instead, the delegates representing virtually all Land organizations told of members of the local establishment advising them "to learn something useful unless they wanted to wind up like Barschel." One of the North German Land chairmen put it in words of one syllable. "It is hard to recruit people for a political party riddled by Kiel-type scandals," he said. "And then they tell us that we are only interested in landing cushy jobs."

In former times, young people stood up and fought against this type of thing; but today their reaction is quite different. "In such instances," Joern Kramer told us, "they simply say that the CDU can go to hell and that they will do their own thing."

It is against this background that the Boehr steering committee's efforts must be viewed. They are working out a new basic program and will have to get it approved in spite of criticism inside the organization. In 1973, when the CDU/CSU finally realized that it had an opposition role to play, the JU adopted its first genuine fundamental platform, the so-called Herford Program "for a humane society." At this point, the leadership feels that the nineties call for a document that is more than a mere update. The draft program fulfills this aim in

some respects, e.g. protection of human life, environmental issues. But with regard to Germany policy—to cite but one example—it still hews to the "balanced" formulae advanced by the CDU/CSU. At the Dortmund meeting, it became clear that young people cannot be roused by such statements alone. The final platform, it was felt, would have to include a "program of action."

Joachim von Amsberg of Lower Saxony is the only member of the JU executive committee who stated that youth policy is his area of responsibility. And it was Amsberg, reporting on JU discussions at the Evangelical Church Conclave, who made the following revealing statement: "The JU must make it clear [in such discussions] that it represents the interests of young people in the first instance and thus also acts as the CDU/CSU's environmental lobby and that it speaks for young people on behalf of the CDU/CSU only in the second instance."

A case in point: The yellow press was waiting to see whether the JU would throw its support to cabinet member Suessmuth or to Bavaria's Gauweiler on the AIDS issue. But in the actual debate the problem was discussed with emphasis on young people after numerous conversations with AIDS victims and with an astounding amount of factual information. The aim was to help young people out; the only real debate centered on how to go about it. The final vote was split along north-south lines, i.e. Bavaria and Baden-Wurttemberg on one side of the issue and the northern Laender on the other. But it was only a superficial replay of the summer fracas between the CDU and the CSU.

The proposal on AIDS testing was not approved "at this time," the overwhelming majority being guided by the medical and technical arguments which had been put forward. The Hamburg motion against trying to combat AIDS by providing drug addicts with throwaway needles was adopted—once more on the basis of familiarity of the drug scene. The executive committee, which had adopted the opposite position, lost both of these votes. It was reported that the committee had acted on this issue "without all of its members in attendance." The official record bears this out, i.e. only one-third of the committee members were present at 50 percent or less of the sessions.

The only real dispute arose over the key issue of whether there should be fixed membership dues or not. The JU has been trying for years to assert its independence of the CDU/CSU by collecting its own dues. The youth organization wants to set a fixed amount, thereby strengthening its position on the national level. The Bavarian and North Rhine-Westphalian delegations succeeded in getting the motion tabled. The Bavarians have always been opposed to fixed dues and still are. The North Rhine-Westphalians are still enjoying privileges accruing to them from government youth programs which no longer exist in this form in the other Laender.

The numerous political motions—a good many of them submitted at the last moment and bearing lots of signatures—provided a clear picture of the prevailing mood.

The Hochsauerland delegation representing the largest Kreis chapter (consisting of many church activists) unsuccessfully called for a qualified condemnation of Reagan's SDI program.

The Braunschweig regional organization called for "drastic modernization" of university curricula and a reduction in the years of study.

The North Rhine-Westphalia delegation received support for a declaration of solidarity with the hard coal industry which could not have been worded in more drastic terms by CDU social affairs committees or, in fact, the DGB.

A motion for official contacts between the Bundestag and the East German People's Assembly was voted down but new city-to-city programs were GDR gained approval

A North German motion which called for cleaning up the North Sea could not have been worded more pointedly by the Greens. The motion was in support of Klaus Toepfer, the minister for environmental affairs.

The executive committee in conjunction with the delegations from Bavaria and Baden-Wurttemberg came out in favor of a stronger ban on wearing masks and disguises [in demonstrations]. Together, they succeeded in overcoming a large minority which termed the Bonn government's decrees as being too "one-sided."

Resolutions condemning human rights violations in the GDR received broad support. The Bonn government's permanent representative in the GDR was sharply criticized for not inviting GDR citizens unacceptable to the Honecker regime to his official receptions. The United States, Great Britain and France, it was noted, are more forceful in this regard.

There is virtual agreement on JU opposition to abuses of the pro-choice provisions of the civil code. At the same time, the Baden-Wurttemberg chapter (which is particularly active on this issue) feels that the government should pay for contraceptives as part of the public health program.

More than one-half of the delegates attended the ecumenical evening service held at Reinoldi Church. A new consciousness has taken hold. It will not bear fruit right away. In fact, "those at the top" are expected to lead the way. One of the delegates from Lower Saxony put it this way: "I have never seen our deputy to the Bundestag attend a church service."

It is clear to see now that the "Wissmann era" did nothing to strengthen the JU intellectually. There are many who say that Wissmann, who preceded Boehr, was only thinking of his Bundestag career when he took on the chairmanship. Boehr, on the other hand, was a boon for the JU. A good many people were worried when Boehr, a young Catholic philosopher from Trier, assumed the leadership of the organization. At this stage, it is clear to see that Boehr is not a shining star but that he is a man who can give an impetus to an organization and is willing to give shape to his ideas. What is more, he is the first JU chairman to be elected to the German Catholic central committee.

The JU leadership is aware of the fact that the membership of the organization is declining (it stands at 240,000 at the moment) and that it will decline even further, if and when the fixed dues provision is introduced. For this reason, the JU is turning its back on the "mass membership theory." Solid nuclei are to perform a bridgebuilding function to the younger generation. Clubs are to open up avenues to CDU-like societies of like-minded individuals. The JU feels that the CDU/CSU lacks the readiness to enter into debate and dialogue with its own youth organization. The fact that [Franz Josef] Strauss' report to the CSU party congress did not elicit a single critical comment from the floor made quite an impact at the Dortmund meeting—even among the delegates from Bavaria, "As for us," a JU delegate from Rhineland-Palatinate said, "we are on the move in a number of ways." In some instances, he added, even political adversaries have "some sensible ideas to sell."

09478

GREECE

Panhellenic Poll Shows PASOK Ahead; Poll Contested

Income-Derived Differences 35210050 Athens ELEVTHEROTYPIA in Greek 30 Nov 87 pp 14-15

[Presentation by Viktor Netas]

[Text] Beginning today, ELEVTHEROTYPIA presents analytical statistics on the first panhellenic poll of the electorate published since the 1985 elections:

- 1. A significant drop in PASOK's strength by 5 percent compared to the percentage it received in the 1985 elections. Data reveals the following: 41 percent at present compared to 46 percent in 1985.
- 2. A decrease in ND's strength by 1 percent compared to what it had in 1985 (40 percent today compared to 41 percent in 1985).
- 3. A rise in KKE's strength by 5 points (15 percent today compared to 10 percent in 1985).

- 4. Distribution into equal percentage between the KKE (Int)-AA [Renewed Left] and the EAR [Greek Left] (each with 1 percent from the KKE (Int)'s 2 percent in the 1985 elections).
- 5. A 1 percent for DIANA [Democratic Renewal], the party created by former ND officials.

The poll was conducted throughout Greece by the firm ICAP-GALLUP for ELEVTHEROTYPIA between 16 October and 3 November 1987. The data resulting from the poll does not mean that this will be the result of the forthcoming parliamentary elections. Nevertheless, they do provide indications on the position and tendencies of the electorate.

We note that the poll was conducted at a time that was unfavorable to PASOK (economy measures on income policy, scandals, increase in pollution, etc.).

Besides, the drop in the electorate strength of the government party has also been noted by its own officials who expressed concerns at the latest meeting of the PASOK Central Committee. Because of these concerns the prime minister acted, indeed, rejecting the economy measures on income policy for 1988 that the ASOP [Supreme Economic Policy Council] had approved.

ELEVTHEROTYPIA will continue its panhellenic polls every 6 months until the elections to survey voters' feelings and will publish all statistics so as to inform its readers. Today, we publish the first tables and an analysis of the poll's data.

Questions Asked During Poll

- 1. For which party did you vote in the last parliamentary elections? PASOK, ND, KKE, KKE (Int), EPEN [National Political Union], EKKE [Revolutionary Communist Movement of Greece]; cast blank ballot; I do not answer.
- 2. If we had elections today to elect a Greek Chamber of Deputies for which party would you vote: PASOK, ND, KKE, KKE (Int)-AA, EPEN, EKKE, DIANA, or EAR? I have not decided; I do not answer.
- 3. Let us suppose there were only two parties, i.e. PASOK and ND, that were headed by other men, i.e. not Messrs Papandreou and Mitsotakis, for which of the two parties would you vote if elections were held today? PASOK, ND; not answer; neither.
- 4. There is talk about a new centrist party being established. Would you vote for it in the next elections? Yes, no, no answer.

In order to help the reader in reading the various tables we hereby analyze the following words that have been shortened:

- 1. Education: Elementary: Illiterate up through elementary school; secondary school: junior high school through senior high school; advanced education: higher and advanced.
- 2. Family Income in 000 drachmas: -50: up to 50,000 drachmas a month; 50-80: 50,001-80,000 drachmas a month; 80-120: 80,001-120,000 drachmas a month; 121+: 120,001 drachmas and above a month.

Note: The first line of the tables shows absolute figures; the second line percentages; *: less than 0.50 percent.

Analysis of Data Appearing in Table 1

- 1. PASOK comes out ahead of ND by only 1 percent (35 percent versus 34 percent). In other words, the difference is very small compared to the 1985 election percentages.
- 2. In the 18-24 and 35-44 age brackets, the two parties have the preference of the same percentage of voters. PASOK has a greater percentage among those in the 25-34 age group (39 percent versus 25 percent for ND). ND has a greater percentage among those in the 45-54 age group (39 percent versus 37 percent for PASOK) and in the 55-64 age group (45 percent versus 31 percent for PASOK). In the over 65 age group, PASOK has the greater percentage (41 percent versus 39 percent for ND).
- 3. In relation to educational levels, PASOK has a greater percentage among those who have completed senior high school (38 percent versus 34 percent for ND). ND, on the other hand, has a greater percentage among those who have completed elementary school (37 percent versus 36 percent for PASOK) and graduates of advanced schools (30 percent versus 27 percent for PASOK).

How Results Came Out

During the survey, a total of 2,000 persons throughout Greece were asked what party they would vote for it elections were held today. Some 2 percent answered that they would not vote; 32 percent said they would not answer; 2 percent said there were undecided; and 7 percent said they would cast a blank ballot.

Of the 2,000 questioned, 1,952 answered that they would vote but of these 33 percent refused to say for whom they would vote. With the subtraction of those who refused to answer the question and those who said they would not vote, 1,310 persons remained who said they would vote and who would answer the question. Of these, 11 percent said they would cast blank ballots and 4 percent said they were undecided. With an apportionment of these percentages we come up with the final result of the poll. (See Table 2, column 1).

Four tables were prepared from all the data derived from the poll. We also include an additional table representing the results of the 1985 elections for comparison purposes (Table 3). We note that in order to facilitate the reading of the tables we have rounded off the percentage points upward, so the overall general percentage comes out to 101 percent, without really altering the general picture.

From the final analysis of the percentages that ensue from the answers given to the question "For whom would you vote today," we come up with the following:

- 1. PASOK remains the number one party in the voters' preference, having 1 pelcent over ND. However, PASOK has 5 percent less than in the 1985 elections.
- 2. ND comes very close to PASOK with only a 1 percent difference. Nevertheless, ND has 1 percent less than what it had in the 1985 elections. DIANA, the party that was created with officers who left ND, has 1 percentage point.
- 3. The KKE shows an increase of 5 percent compared to what it obtained in the 1985 elections.
- 4. EAR and KKE (Int)—AA each has 1 percent, i.e. they share the 2 percent that the KKE (Int) obtained in the 1985 elections.
- 5. The percentage of those who refused to answer (32 percent of the 2,000 questioned) and those who cast a blank ballot (7 percent of the total) was significant. Those who said they were undecided was 2 percent of the total questioned.

Votes and Percentages of the 1985 Elections (Table 3)

In order to make detailed comparison and analyses we provide in Table 3 both votes and percentages obtained in the 1985 elections throughout the country.

How the Poll Was Conducted (Tables 4 and 5)

The panhellenic poll we publish today was conducted by the research section of ICAP-GALLUP for ELEVTHE-ROTYPIA.

It began on 16 October 1987 and ended on 8 November 1987. A total of 59 men and women poll takers and six inspectors were engaged in the poll taking.

The sample of the population polled was made up of voters (men and women) aged 18 and above, covering 100 percent of the Greek population.

A total of 2,000 questionnaires were filled out from 44 places in the country, namely cities, towns, and villages (including the islands), with personal meetings, i.e. door-to-door meetings with those questioned.

ICAP-GALLUP selected the sample for the poll using the method of random sample taking and was proportionately divided by sex, age group, geographic division and size of city as to the real population.

All the answers are presented in the survey analysis with absolute figures and percentages on the basis of the real sample, without making use of any weighting.

ΒΑΣΗ=ΟΣΟΙ ΘΑ	(2)	ФУ	<u>~</u> (3)	1	o	MAAA	HAIKIAI	E (4))	(5)M	ΟΡΦΩ	EH	OIK. EIX	ΟΔΗΜΑ	ΣE 000	D APKE
THOIZAN (1)		ANTPEZ 1		18-24	25-34	35-44	45-54	55-84	85+	AHM. 9	AYK () ANOT.]] 80	98-128 1	20-150	160+
KAI ANANTHĪĀN	1310	7)673	637	186	259	273	214	177	201	553	522	136	762	233	76	35
TIATOK (12)	458 35 %	239 36%	8) 219 34%	51 27%	101	90 33 %	80 37%		82 41%	201 36%	197 38%	37 27 %	271 36%	89 38%	31 41%	20%
NEA AHMOKPATIA (13)	447 34%	220 33%	227 38%	50 27%	66 25%	90 33 %			79 39%	203 37%	176 34%		266 35 %	59 30%	23 30 %	49%
KKE (14)	166 13%	92 14%	74 12%	30 16%	42 116%	33 12%	20 9%	23 13%	18	77 14%	10%	14 10%	94 12%			11%
KKE EI A-A (15)	18 1%	11 2%	7	6 3%	6 2%	2 1%	1		1	6 1%	3 1%	3 2%	11 1%	3 1%		2
ETIEN (16)	7 1%	5 1%	2	1 1%	- 1	1	1	3 2%	1	3 1%	1%	_	6 1%			M
EKKE (17)	1	1	-	1 1	1	-	_	_ 	_	1		_	1	-		7
ΔHANA (18)	7 1%	3	1X	-	i 1.	1	1	-	4 2%	1%	2	-	6 1%	ad I'	=	
EAP (19)	19 1%	12 2%	7 1%	2 1%	4 2%	10 4%	3 1%	_		3 1%	1%	11 8%	11 1%			=
AEYKO (20)	138 11%	74 11%	64 10%	39 21%	28 11%	32 12%	18 8%		11	31 6 %	64 12%	26 19%	71 9%	29 12%	9 12%	9%
ΔΕΝ ΑΠΟΦΑΣΙΣΑ (21)	49 4%	16 2 %	33 5%	7 4%	10. 4%	14 5%	3%	6 3%	5 2%	24 4%	18 3%	4 3%	25 3%	- 3%	2 3%	2 P. ex
EYNOAO (22)	1310 100%	673 100%	637 100%	186 100%	259 100%	273 100%	214 -160%	177 100%		553 100%	522 100%	136 1 00%		233 100%		35 100K

Key:

- 1. Basis: Those who would have voted and answered the question.
- 2. Total
- 3. Sex
- 4. Age group
- 5. Education
- 6. Income in 000 drachmas
- 7. Men
- 8. Women
- 9. Elementary school
- 10. Senior high school
- 11. Advanced education
- 12. PASOK
- 13. ND
- 14. KKE
- 15. KKE (Int)-AA
- 16. EPEN
- 17. EKKE
- 18. DIANA
- 19. EAR
- 20. Blank ballot
- 21. Undecided
- 22. Total

	ΣΥΝΟΛΙ	ΚΑ ΠΟΣ	ΟΣΤΑ		
(2)	Τελικά ποσοστά (χωρίς λευκά)	Αποτέλεσμα εκλογών 1985 (3)	Οσοι θα ψή- φιζαν και α- πάντησαν (4)	Οσοι θα ψή- φιζαν και ό- σοι δεν απά- ντησαν(5)	Ολοι όσοι ρω- τήθηκαν και ό- σοι δεν απά- ντησαν (6)
Ато µа (7)	1.310		1.310	1.952	2.000
	₩.	%	%	%	96
ΠΑΣΟΚ (8) Ν.Δ. (9) Κ.Κ.Ε. Εσ. (1) Κ.Κ.Ε. Εσ. ΑΑ Ε.Α.Ρ. (13) ΕΠΕΝ (14) ΕΚΚΕ (15) ΔΗΑΝΑ (16) Λευκό (17) Δεν σποσά-	41 40 15) (12)1 1 1 *	46 41 10 2 0,8 0,11	35 34 13 - 1 1 1 1	23,4 22,8 9 - 1 1 * *	23 22 8 - 1 1 * * 7
σισαν. (18) Αρνηση (19) Δεν θα ψήφιζαν(20) Σύνολο (21)	_ _ 100	100		3 33 — 100	2 32 2 100

- Key:
 1. Overall percentages
- 2. Final percentages (without blank ballots)
- 3. 1985 electoral results
- 4. Those who would have voted and who answered
- 5. Those who would have voted and who did not answer
- 6. All those who were asked and who did not answer
- 7. Persons
- 8. PASOK 9. ND
- 10. KKE
- 11. KKE (Int)
- 12. KKE (Int)-AA
- 13. EAR
- 14. EPEN
- 15 .EKKE
- 16. DIANA
- 17. Blank ballot
- 18. Undecided
- 19. Refusal
- 20. Would not have voted
- 21. Total
- 22. Note: The * signifies that the percentage was under 1 percent

Έδρες 300 - Εκλογικά τμήματα (1) Γρομμένοι στους εκλογικούς καταλόγοι(ς2) Ψήφισαν Άκυρα και λευκά ψηφοδέλτιο (4) Έγκυρα ψηφοδέλτια	14.738 8.119.410
Whereav (3)	6.422.352
Άκμος και λευκά ψηφοδέλτια (4)	57.313
Еукира фуфобсита (5)	6.365.039

Ауалитий: (б)		
ΠΑΣΟΚ (.7.)·-	2.916.450	45,82%
N.A. (8)	2.599.949	40.85%
K.K.E. (9).	629.518	9,69%
K.K.E.Egwt. (10)	117.050	1,84%
EDEN (11)	37.934	0,60%
MAEAEYBEPOI (12)	10.633	0.17%
EKKE /135	7.001	0.11%
EAEYBEPOI 1743	5.182	0.08%
AIKE (15) (16)	10.368	0.15%
KOMOYNIZTIKH APIZTEPA (19)	5.356	0.08%
EAE-TPOTEKIETEE (1/)	3.684	0.06%
EXE (18)	256	
OAH (19)	161	_
OLIPAZINOI $(\bar{2}0)$	5	
KIN. ANDPORTISTIKON (21)	47	
патрютікнаева (22)	177	_
	21,286	0.33%
ANEEAPTHTO/MEMONΩMENO! (23)	£1.200	. 0,35 %

- Key:
 1. 300 seats—Electoral precincts
 2. Registered on electoral lists
- 3. Voted
- 4. Invalid and blank ballots
- 5. Valid ballots
- 6. Analytically

- 7. PASOK 8. ND 9. KKE 10. KKE (Int)
- 12. Liberals
- 13. EKKE
- 14. Free
- 15. ASKE
- 16. Communist
 17. EDE-Trotskyites
 18. EKhE
 19. ODI

- 20. The Greens
- 21. Humanistic Movement 22. Patriotic Right
- 23. Iadependents/Individuals

(1)	(2) RAHOY	INOI	(3) AEIF	IA	(4) ENMEIA				
HELEGOX BOUHE	KATOIKOY 5) *	EAN/BEIE(Q) *	EARAASE	AEIFMATOX			
: ABHNA (9)	3.027.331	31	622	31	(7) 1	(8) ı			
BEEEAAONIKH (10	713.449	7	146	7	1	1			
50.001-150.000	500.031	5	102	5	6	3			
10.001- 50.000	1.299.926	13	266	13	54	9			
2.001- 10.000	1.110.364	11	230	11	310	9			
501- 2.000	1.704.274	18	350	18	1.937	10			
1- 500	1.383.570	14	284	14	9.522	11			
(11) Y N O A O	9.738.945	100	2.000	100	11.830	44			

- Key:
 1. Size of city
 2. Population
 3. Sample
 4. Places
 5. Inhabitants
 6. Number of interviews
 7. Of Greece
 8. Of sample
 9. Athens
 10 .Salonica
 11. Total

5505000 (1)	(2) _{панет}	ZOMZ	(3) AEI	ГНА	(4) EHMEIA		
FERFPADIKO (1) Alamepiema	EATOIEOI	*	EAM\BELE	*	EAAAAX	AEI TMATO X	
ETEPEA EAAAAA & EYBOIA(9)	(5) 4.127.172	42	(6) 848	42	(7) 1.888	(8) 7	
'πελοποννήξος (10)	1.012.528	10	208	10	2.504	6	
ΝΗΣΙΑ ΙΟΝΊΟΥ & ΗΠΕΙΡΟΣ (11)	607.192	5	104	5	1.670	7	
ΒΕΣΣΑΛΙΑ (12)	695.654	7	142	7	961	4	
MAKEAONIA (13)	2.120.481	22	436	22	1.808	8	
9PAKH (14)	345.220	4	70	4	529	3	
NHEIV VILVIOA	428.533	4	. 88	4	1.028	4	
(15)- KPHTH (16)	502.165	6	104	5	1.442	5	
(172) Y N O A O	9.738,945	100	2.000	100	11.830	44	

Key:
1. Geographic division
2. Population
3. Sample

- 4. Places
- 5. Inhabitants
- 6. Number of interviews
- 7. Of Greece
- 8. Of sample
 9. Mainland Greece and Evvoia
- 10. Peloponnisos
 11. Ionian Islands and Ipeiros
- 12. Thessalia

- 12. Thessalla13. Makedonia14. Thraki15. Aegean Islands16. Crete17. Total

Regional Differences

35210050 Athens ELEVTHEROTYPIA in Greek 1 Dec 87 pp 14-15

[Presentation by Viktor Netas]

[Text] If elections were held today, how would voters in Athens, Salonica, towns and villages cast their votes?

This question is answered today by the panhellenic poll scientifically conducted by ICAP-GALLUP for ELEV-THEROTYPIA.

From an analysis of data appearing in Table 1, that we publish today, the following facts become evident:

- 1. PASOK comes out in front of ND by 1 percent for the country overall (35 percent versus 34 percent).
- 2. ND comes out in front in Athens (32 percent versus 29 percent for PASOK).
- 3. PASOK comes out in front in Salonica (36 percent versus 27 percent for ND). PASOK also comes out in front in cities with a population of 10,000-50,000 inhabitants (39 percent versus 37 percent for ND) and in small villages of between 1 to 500 inhabitants (46 percent versus 32 percent for ND).
- 4. ND comes out in front in cities with a population of between 50,0001-150,000 inhabitants (34 percent versus 28 percent) and in towns and villages with a population of between 501 and 2,100 inhabitants (38 percent versus 35 percent).
- 5. According to geographic division, the two parties come out equally in mainland Greece and Evvoia (32 percent versus 32 percent). PASOK comes out in front in Thessalia and Ipeiros (42 percent versus 39 percent for ND) and in the Aegean Islands and Crete (37 percent versus 20 percent). ND comes out in front in Peloponnisos (37 percent versus 34 percent for PASOK) and in Makedonia and Thraki (39 percent versus 36 percent for PASOK).

Present Remarks of Those Who Voted in 1985 (Table 3)

Of particular interest are the statistics representing answers to the question "For which party did you vote in the last parliamentary elections?" We provide an analysis of the actual results of the 1985 elections for comparison purposes.

From the analysis of the data we come up with the following:

1. Answers given at present by those who said they voted for PASOK in the 1985 elections come out to 46 percent, the same percentage that PASOK actually obtained in 1985.

- 2. Answers given at present by those who said they voted for ND in the 1985 elections, in comparison with the actual electorate results, come out with a 6 percent difference. I may conjecture that while they did vote for ND in 1985 they do not say so today.
- 3. The opposite occurs with the KKE answers. Those who said they voted for the KKE in the 1985 elections comes out to 11 percent, while the KKE actually got 10 percent.
- 4. The same holds true for the KKE (Int). Those who said they voted for it comes out to 3 percent, while it actually got 2 percent.

Analysis of Data Appearing in Table 2

From an analysis of data appearing in Table 2, we come up with the following:

1. One hundred (100) percent of those who answered that they would vote for PASOK today actually voted for PASOK in 1985. Of those who answered that they would for ND today, 6 percent said that they voted for PASOK in 1985.

Of those who answered that they would vote for the KKE today, 7 percent said they voted for PASOK in 1985. Of those who said they would vote for EAR, 11 percent said they had voted for PASOK in 1985. Of those who said they would cast a blank ballot, 34 percent said they had voted for PASOK in 1985. Of those who said they were undecided today, 79 percent said they had voted for PASOK in 1985. Of those who refused to answer, 66 percent said they had voted for PASOK in 1985. Finally, of those who said today they would not vote, 88 percent said they had voted for PASOK in 1985.

- 2. Ninety-four (94) percent of those who answered today that they would vote for ND had also voted for ND in the 1985 elections. Six (6) percent of them who state that today they would vote for EAR, say that they voted for ND in the 1985 elections. One hundred (100) percent of those who today say they would vote for DIANA had voted for ND in the 1985 elections. Twenty-nine (29) percent of those who today say they would vote for EPEN had voted for ND in the 1985 elections. Ten (10) percent of those who said they would cast blank ballots said they voted for ND in the 1985 elections. Eighteen (18) percent of those who today said they were undecided said they voted for ND in the 1985 elections. Of those who refused to answer, 18 percent said they voted for ND in the 1985 elections.
- 3. Of those who today said they would vote for the KKE, 92 percent said they had also voted for it in the 1985 elections.
- 4. One hundred (100) percent of those who today said they would vote for the KKE (Int)-AA, said that they had also voted for the KKE (Int) in the 1985 elections.

	27110A0 (2)	RATEK (3)	14	100E (5)	IOUE AA	EAP.	MANA.	ERE I	AEYKO	ANAROGAZ	(10)	AEN BA VIII-OLEDYN
ΒΑΣΗ=ΟΣΟΙ ΨΗΦΙΣΑΝ & ΑΠΑΝΤΉΣΑΝ (])	1199	420	417	142	17	18	6	7	68	39	(12) 56	(13)
RASOK (14)	533 46%	420 100%	23 6%	10 7%	:	2 11%	•	-	23 34%	31 79%	37 66%	7
NEA AHMOKPATIA (15)	424 38%	:	391 94%	• •	:	1 9%	6 100%	2 29%	7 10%	7 18%	10	•
(16)	131 11%	:		131 82%		:	:	:	•	-	-	•
KKE EZOTEP. (17)	35 3%	-	- :	-	17 100%	13 72%	:	:	5 7%	:		. •
ETEN (18)	5 ★		-	•	-	-	:	5 71%	-	-	-	-
EKKE (19)	1 *	•	-	-	-	:	-	-		•	-	:
AEYKO (20)	50 4%	-	3 1%	1 1%	-	2 11%	-	-	33 40%	1 3%	9 1 6 %	1 13%
EYNOAO (21)	1199 100%	420 100%	417 100%	142 100%	17 100%	18 100%	100%	7 100%	68 100%	39 100%	56 100%	8 100%

Key:

- 1. Basis: Those who would have voted and answered the question.
- 2. Total
- 3. PASOK
- 4. ND
- 5. KKE
- 6. KKE (Int)-AA
- 7. EAR
- 8. DIANA
- 9. EPEN
- 10. Blank ballot
- 11. Undecided
- 12. Refused to answer
- 13. /Would not have voted
- 14. PASOK
- 15. ND
- 16. KKE
- 17. KKE Int.
- 18. EPEN
- 19. EKKE
- 20. Blank ballot
- 21. Total
- 5. Of those who today said they would vote for EAR, 72 percent said they had voted for the KKE (Int) in the 1985 elections. Seven (7) percent of those who said they would cast blank ballots said that they had voted for the KKE (Int) in the 1985 elections.
- 6. Of Those who answered that today they would vote for EPEN, 71 percent said that they had voted for it in the 1985 elections.
- 7. Of those who answered that in 1985 they had cast blank ballots, said that today 1 percent would vote for

ND, 1 percent for the KKE, 11 percent for EAR, 49 percent would again cast blank ballots, 16 percent refused to answer and 13 percent would not vote.

Note: In certain instances, the small sample of small parties gives a big percentage, as in Salonica where nine persons who said they would vote for the KKE (Int)—AA comes out to 8 percent. Probably in this case the KKE (Int)-AA is confused with the EAR.

(1)	M	ELE	θ Ο Σ	ПОЛ	НΣ	(2))	(6)	ГЕОГРА	∳IKO ΔI	AMEPIZM	A
(1)	TYNOAO	49HNA	8EXA. (5)	58.001- 150.000	18.001- 58.000	2.861- 10.000	501- 2.000	1-508	ETEPEA (7)	TEADTON	BETTAL.	MAKEAON. (10)	A) (11)
ΒΑΣΗ=ΟΣΟΙ ΘΑ ΨΗΦΙΖΑΝ ΚΑΙ ΑΠΑΝΤΗΣΑΝ	1310	398	111	64	166	146	238	187	525	148	125	367	145
па хок (12)	458 35 %	116 29%	40 36%	18 28 %	65 39 %	49 34 %	84 35 %	86 46 %	169 32 %	51 34 %	53 42 %	132 36 %	53 37 %
N. AHMOKPATIA (13)	447 34 %	128 32 %	30 27 %	22 34 %	61 37 %	57 39 %	90 38 %	59 32 %	170 32 %	55 37 %	49 39 %	144 39%	29 20 %
KKE (14)	166 13 %	56 14%	19 17%	9 14%	18 11%	16 11%	29 12%	19 10%	72 14%	18 12%	13 10%	36 10%	27 19 %
KKE Eg. A-A (15)	18 1%	7 2%	9 8%	-	-	2 1%	-	-	7 1%	-	1 1%	10 3%	-
ETIEN (16)	7 1%	-			1 1%	3 2%	3 1%	-	2 *	1 1%	2 2%	2 1%	-
EKKE (17)	1 *	-	-	-	1 1%	:	-	-	-	1 1%	-	-	-
ΔHANA (18)	7 1%	4 1%	-	-		:	3 1%	-	5 1%	-		2 1%	:
(19)	19 1%	12 3%	1 1%	2 3 %	· 3	1 1%		•	13 2%	1 1%	-	3 1%	2 1%
ЛЕУКО (20)	138 11%	65 1 6 %	12 11%	9 14%	16 10%	12 8%	14 6%	10 5 %	71 14%	5 3 %	6 5 %	33 9%	23 1 6%
ΔΕΝ ΑΠΟΦΑΣΙΣΑ (21)	49 4%	10 3%		4 6%	1 1%	6 4%	15 6 %	13 7%	16 3%	16 11%	1 1%	5 1%	11 8 %
ΣΥΝΟΛΟ (22)	1310 100%	398 100%	111 100%	64 100%	166 100%	146 100%	238 100%	187 100%	525 100%	148 100%	125 100%	367 100%	145 100%

- Key:
 1. Basis: Those who would have voted and answered the question.
 2. Size of city
 3. Total
 4. Athens

- 5. Salonica
- 6. Geographic division
- 7. Mainland Greece and Evvoia
- 8. Peloponnisos
- 9. Thessalia, Ipeiros and Ionian Islands
 10. Makedonia and Thraki
- 11. Aegean Islands and Crete
 12. PASOK
 13. ND
 14. KKE

- 15. KKE (Int)-AA 16. EPEN 17. EKKE

- 18. DIANA
- 19. EAR
- 20. Blank ballot 21. Undecided 22. Total

Атора (1)	Οσοι ψήφισαν και απάντησαν (2) 1199 %	Αποτέλες μα εκλογών 1985 Σύν. ψηφισαντων (3) %	Οσοι ψήφισαν 1783 (4) %	Ολοι όσοι ρωτήθηκαν 2.000 (5)%
ПАХОК (6)	46	46	312.00	28
NA (7)	35	41	24	21
KKE (8)	11	10	7	7
KKE ea. (9)	3 '-	2	2	2
ETEN (10)	as Tolking 🛊 s	0.3	*	*
EKKE (11)	*	0,11	*	*
Λευκό (12)	4	·	3	3
Αρνηση (13)		}	33	29
Δεν ψήφισα	(14)			11
Σύνολο (1.5)	100		100	100

- Key:
 1. Persons
 2. Those who voted and answered
 3. Results of 1985 elections. Total voters.
- 4. Those who voted
- 5. All who were questioned 6. PASOK 7. ND

- 8. KKE 9. KKE (Int) 10. EPEN
- 11. EKKE
- 12. Blank ballot
- 13. Refusal
- 14. Did not vote
- 15. Total

PASOK Attracts New Voters 35210050 Athens ELEVTHEROTYPIA in Greek 2 Dec 87 pp 14-15

[Presentation by Viktor Netas]

[Text] There is a greater preference for PASOK—and even without Andreas Papandreou as leader—than ND—without Kon. Mitsotakis as leader.

The ICAP-GALLUP poll included the following question: "Let us suppose there were only two parties, namely PASOK and ND, and they had different leaders, i.e. they did not have Messrs Papandreou and Mitsotakis. For which of the two parties would you vote if we had elections today?"

The 2,000 persons questions answered as follows:

PASOK: 29 percent.

ND: 26 percent.

Those who refused to answer or said "neither:" 45 percent. (Table 1)

ND Grassroots More Solid (Table 1)

- 1. Of those who answered that they would have voted for PASOK said they had voted as follows in the 1985 elections: 76 percent for PASOK, less than 1 percent for ND, 32 percent for the KKE, 26 percent for the KKE (Int), 8 percent blank ballots, 7 percent refused to say what they voted for and 28 percent did not vote.
- 2. Of those who said they would have voted for ND said they had voted as follows in the 1985 elections: 92 percent for ND, 7 percent for PASOK, 60 percent for EPEN, 18 percent blank ballots, 8 percent refused to answer what they voted for and 18 percent did not vote in 1985.
- 3. Of those who refused to answer or said neither party had voted as follows in 1985: 17 percent PASOK, 8 percent ND, 68 percent KKE, 74 percent KKE (Int), 40 percent EPEN, 74 percent blank ballots, 86 percent refused to answer what they voted for and 53 percent said they did not vote.

Analysis of Data Appearing in Table 2

PASOK without Andreas Papandreou and with ND as its only opponent (without Mitsotakis) would get a greater percentage of votes: in the country as a whole, in Salonica, in cities between 10,001 and up to 50,000 inhabitants and in small towns. By geographic division, in mainland Greece and Evvoia, in Thessalia and Ipeiros and in the Aegean Islands and Crete.

ND, without Mitsotakis and with PASOK as its only opponent (without Andreas) would get a greater percentage of votes: in Athens, in cities with a population of rom 50,001 to 150,000, in big towns with a population of from 2,001 to 10,000 and in towns with a population of from 501 to 2,000. By geographic division, it would get a greater percentage of votes in Peloponnisos.

New Voters Closer to PASOK

If elections were held today, most of those who did not vote in the 1985 parliamentary elections (primarily new voters) would vote for PASOK (29 percent) and lesser for ND (20 percent). Nevertheless, in this category, the percentage of those who answered they would cast blank ballots is large (26 percent) as are those who are undecided (7 percent).

All of the data in the poll is published today in the table that was made up from answers to the question: "What party would you vote for today" in relation to the question "what party did you vote for in the last elections?"

From an analysis of the data in the table we come up with the following (Table 4):

- 1. The following would vote for PASOK today: 83 percent of those who voted for it in 1985; 9 percent of those who refused to answer what they voted for in 1985; and 29 percent of those who did not vote in the 1985 elections.
- 2. The following would vote for ND today: 94 percent of those who voted for it in 1985; 5 percent of those who voted for PASOK; 8 percent of those who said they cast blank ballots; 12 percent of those who refused to answer what they voted for in 1985; and 20 percent of those who did not vote in 1985.
- 3. The following would vote for the KKE today: 100 percent of those who voted for the KKE in 1985; 2 percent of those who voted for PASOK; 3 percent of those who cast blank ballots; 9 percent of those who refused to answer what they voted for; and 16 percent of those who did not vote in 1985.
- 4. The following would vote for the KKE (Int)-AA today: 49 percent of those who voted for the KKE (Int) in 1985; and 1 percent of those who did not vote in 1985.
- 5. The following would vote for EPEN today: 100 percent of those who had voted for EPEN in 1985.
- 6. The following would vote for DIANA today: 1 percent of those who voted for ND in 1985; and 2 percent of those who refused to answer what they voted for in 1985.

		Φ Y /	0 ())	OMADA HAIKIAE (6)				мо	ΡΦΩΣΗ	(7)	(OIK EIZOAHMA ZE OGOLAD)					
(1)		(3)	(4)	(5)	18-24	25-34	35-44	45 54	55-64	65++	(8)	(9)	(iń	—80	88-128	120-150	150+
BAZH=OAOI OI EPOT	OMENO	200Ó	952	1048	284	360	389	342	270	355	870	803	191	1129	325	100	45
ΠΑΣΟΚ (1	2)	577 29%	286 30%	291 28%	81 29%	124 34%	108 28%	98 29%	66 24%	100 28%	248 29%	239 30%	53 28%	336 30%	111 34%	38 38%	14 31%
NEA AHMOKPATIA(]	L3)	526 26%	255 27%	271 26%	62 22%	74 21%	109 28%	101 30%	85 31%	95 27%	238 27%	202 25%	52 27%	311 28%	78 24%	27 27%	19 42%
ΧΩΡΙΣ ΑΠΑΝΤΗΣΗ-ΚΑ	NENA 4)	897 45%	411	486 46%	141 50%	162 45%	172 44%	143 42%	119 44%	160 45%	384 44%	362 45%	86 45%	482 43%	136 42%	35 35%	12 27%
IYNOAO (1	.5)	2000 100%	952 100%	1048 100%	284 100%	360 100%	389 100%	342 100%	270 100%	355 100%	870 100%	803 100%	191 100%	1129 100%	325 100%	100 100%	45 100%

Key:

- 1. Basis: All who were questioned
- 2. Sex
- 3. Total
- 4. Men
- 5. Women
- 6. Age Group
- 7. Education
- 8. Elementary
- 9. Senior high school
- 10. Advanced
- 11. Income in 000 drachmas
- 12. PASOK
- 13. ND
- 14. No answer; none
- 15. Total
- 7. The following would vote for EAR today: 37 percent of those who voted for the KKE (Int) in 1985; a percentage less than 1 percent of those who voted for PASOK and ND in 1985; 5 percent of those who cast blank ballots; and 2 percent of those who refused to answer what they voted for.
- 8. The following would cast blank ballots today: 5 percent of those who voted for PASOK; 2 percent of those who voted for ND; 14 percent of those who voted for the KKE (Int); 83 percent who had cast blank ballots; 63 percent who refused to answer what they voted for; and 26 percent who said they did not vote in 1985.

9. The following remain undecided: 6 percent of those who voted for PASOK; 2 percent of those who voted for ND; 3 percent of those who cast blank ballots; 3 percent of those who refused to answer what they voted for in 1985; and 7 percent of those who said they did not vote.

Note: a small error cropped up in Table 2 that was published yesterday (1 December). Specifically, in the question "for what party did you vote in the last elections," of the 1,999 who answered 553 said PASOK and not 533 as was mistakenly printed.

		пою ког	има	ΙΦΙΣΑΝ	ΣΤΙΣ ΤΕ	Λ <u>ΕΥΤ</u> ΑΙΕΣ ΕΙ	κλΟίεΣ	(1)	(10)	(11)
	(2) (3 ΣΥΝΟΛΟ	ΠΑΣΟΚ	N.Z.)	KKE	KKE EO.	ETIEN	NEYKO	APNHΣΗ	ΔΕΝ ΨΗΦΙΣΑΝ
ΒΑΣΗ=ΟΛΟΙ ΟΙ ΕΡΩΊ	(-) - (2000	553	424	131	35	5	50	584	217
ΠΑΣΟΚ	(12)	577 29%	422 76%	1.	42 32%	9 26%		4 8%	38 7%	61 28%
NEA AHMOKPATIA	(13)	526 26%	38 7%	391 92%		-	3 60%	9 18%	45 8%	40 18%
ΧΩΡΙΣ ΑΠΑΝΤΗΣΗ-ΚΑ	NENA(14)	897 45%	93 17%	32 8%	89 68%	26 74%	2 40%	37 74%	501 86%	116 53%
ΣΥΝΟΛΟ (15)		2000 100%	553 100%	424 100%	131 100%	35 100%	5 100%	50 100%	584 100%	217 100%

- Key:
 1. What party they voted for in the last elections.
 2. Basis: all those questioned
 3. Total
 4. PASOK
 5. ND
 6. KKE
 7. KKE (Int)
 8. EPEN
 9. Blank ballot
 10. Refusal

- 10.. Refusal
- 11. Did not Vote

- 12. PASOK 13. ND 14. No answer; none 15. Total

	٠	L			METE	өох п	<u>0 Λ Η Σ</u>	(2)			ΓΕΩΓΡΑ	φικο Δί	ΦΙΚΟ ΔΙΑΜΕΡΙΣΜΑ (6)		
	(1)	2791040	ADMILA (4)	9531A . (5)	58.001- 158.000	18.001- 58.000	2.001- 18.000	501- 2.000	1-500	(7)	READTION-	OEDIAA.	MAKEAON (.1_0)	Alf Alo	
BATH=OAOI OI EPO	TOMENOI	2000	622	146	102	266	230	350	284	848	208	246	506	192	
ΠΑΣΟΚ	(12)	577 29%	152 24%	84 44%	24 24%	76 29%	64 28%	98 28%	99 35%	· 215	61 29%	87 27%	171 34%	63 33%	
NEA AHMOKPATIA	(13)	526 28%	156 25%	33 23%	28 27%	65 24%	70 30%	101 29%	73 26%	203 24%	62 30%	61 25%	167 - 33%	33 17%	
ΧΩΡΙΣ ΑΠΑΝΤΉΣΗ-Κ	ANENA (14)	897 45%	314 50%	49 34%	50 49%	125 47%	96 42%	151 43%	112 39%	430 51%	85 41%	118 - 48%!	188 33%	98 50%	
EYNOAO	(15)	2000 100%	622 100%	146 100%	102 100%	266 100%	230 100%	350 100%	284 100%	848 100%	208 100%	248 1 80%	506 100%	192 100%	

Key:

- 1. Basis: All who were questioned
- 2. Size of city
- 3. Total
- 4. Athens
- 5. Salonica
- 6. Geographic division
- 7. Mainland Greece and Evvoia
- 8. Peloponnisos
- 9. Thessalia, Ipeiros and Ionian Islands
- 10. Makedonia and Thraki
- 11. Aegean Islands and Crete
- 12. PASOK
- 13. ND
- 14. No answer; none
- 15. Total

ΠΟΙΟ ΚΟΜΜΑ ΨΗΦΙΣΑΝ ΣΤΙΣ ΤΕΛΕΥΤΑΙΕΣ ΕΚΛΟΓΕΣ (1)

BAZH=CZOI BA TH	AI7AN	(32)NOAO	TOT SOK	(5)	(KE)	KIKE Eu.	EMEN	NEYKO	APMINZH	DEN PHOIZAN
KAI ANANTHEAN	(2)	1310	509	414	131	35	5	40	65	110
NAXOK	(12)	458 35%	420 83%	:	-	•	•		8 9%	32 28%
NEA AHMOKPATIA	(13)	447 34%	23 5%	391 94%	-			3 8%	8 12%	22 20%
KKE	(14)	166 13%	10 2%	:	131 100%	-		1 3%	6 9%	18 1 6%
KKE EJ. A-A	(15)	18 1%		:	-	17 48%		-	-	1 1%
ETEN	(16)	7 1%		2		-	5 180%	:	-	·
EKKE	(17)	1			-	-		-	-	:
AHANA	(18)	7 1%	-	6 1%	-		-	-	1 2%	
EAP	(19)	19 1%	2	1	-	13 37%		2 5%	1 2%	-
VEAKO	(20)	138 11%	23 5%	7 2%	-	5 14%		33 83%	41 63%	29 26%
ΔΕΝ ΑΠΟΦΑΣΙΣΑ	(21)	49 4%	31 6%	7 2%	-	-	•	1 3%	2 3%	8 7%
ΣΥΝΌΛΟ	(22)	1310 1 00%	509 1 00%	414 100%	131 100%	35 1 00%	5 19 0%	40 100%	65 1 00%	110 1 00%

- Key:
 1. What party they voted for in the last elections
- 2. Basis: Those who would have voted and answered the question
- 3. Total
- 4. PASOK
- 5. ND
- 6. KKE
- 7. KKE (Int)
- 8. EPEN
- 9. Blank ballot
- 10. Refused
- 11. Did not vote
- 12. PASOK
- 13. ND
- 14. KKE
- 15. KKE (Int)-AA
- 16. EPEN
- 17. EKKE
- 18. DIANA
- 19. EAR
- 20. Blank ballot
- 21. Undecided
- 22. Total

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Centrist Preferences

35210050 Athens ELEVTHEROTYPIA in Greek 3 Dec 87 pp 14-15

[Presentation by Viktor Netas]

[Text] A new centrist party will meet with the preference of 18 percent of the voters, according to the ICAP-GALLUP poll. The question put to the 2,000 persons questioned was: "There is talk about a new centrist party being established. Would you vote for it in the next elections?

The results were as follows: 18 percent, yes, I would vote for it; 41 percent, no, I would not vote for it; 41 percent, no answer. From the significant percentage of positive answers it appears that the electorate is calling for the establishment of a new centrist party and also that there is room for it politically speaking.

Analytical data on the poll raise questions about the serious problems the two major parties (PASOK and ND) have in claiming the centrist area.

Analysis of Data in Table 1

From an analysis of data in Table 1 it appears that the following would vote for a new centrist party:

- 1. More persons over 35 years of age (17 percent, 35-44 years old; 20 percent, 45-54 years old; 19 percent, 55-64 years old; and 19 percent; 65 years old and above).
- 2. More persons of high and low family incomes (27 percent, incomes of 150,000 drachmas and above; 22 percent, incomes of between 80,000 and 120,000 drachmas; 20 percent, up to 80,000 drachmas; and 12 percent, incomes of between 120,000 and 150,000 drachmas).
- 3. More persons with advanced school education (22 percent) and senior high school education (20 percent) and less with elementary school education (15 percent).

Analysis of Data in Table 2

From an analysis of data in Table 2 it appears that the following would vote for a new centrist party:

- 1. More persons from Salonica (29 percent) and big cities (with a population of 50,001-150,000, 18 percent), big towns (with a population of 2,001-10,000, 18 percent) and less from villages (11 percent).
- 2. More persons from the Aegean Islands and Crete (26 percent), Makedonia and Thraki (23 percent) and less from Thessalia and Ipeiros (7 percent) and Peloponnisos (16 percent).

Analysis of Data in Table 3

From an analysis of data in Table 3, that was made in conjunction with the question "what party did you vote for in the last elections," it follows that:

The following would vote for a new centrist party: 26 percent of those who answered that they voted for PASOK; 16 percent of those who voted for ND; 4 percent of those who voted for the KKE; 20 percent of those who cast blank ballots; 15 percent of those who refused to answer for whom they voted; and 16 percent of those who said they did not vote.

Analysis of Data in Table 4

From an analysis of data in Table 4, that was made in conjunction with the question "what party would you vote for if elections were held today," it follows that:

The following would vote for a new centrist party: 22 percent of those who answered that they would vote for PASOK today; 20 percent of those who would vote for ND; 4 percent of those who would vote for the KKE; 6 percent of those who would vote for the KKE (Int)-AA; 21 percent of those who would vote for EAR; 27 percent of those who would cast blank ballots; 33 percent of undecided voters; 14 percent of those who refused to answer what they would vote for today; and 23 percent of those who said they would not vote.

	(1)	0 Y /	١٥ ((2)	омаба нліктах (6)						MO	РФОІН	(7)	OW.E	ZOAHM!	ZE 000	ΔPX (1]
BATH=OAOI OI EP	DTOMENOI	(3)	(4)	(5)	18-24	25-34	35-44	45 54	55-64	85++	(8)	(9)	(10)	-96	80-120	120-150	150+
		2000	952	1048	284	360	389	347	270	355	870	803	191	1129	328	100	45
NAI	(12)	352 18%	162 17%	190 18%	39 14%	59 16%	67 17%	70 20%	50 19%	67 19%	131 15%	158 20%	42 22%	225 20%	12,	12 12%	12 27%
OXI	(13)	821 41%	432 45%	389 37%	129 45%	175 49%	162 42%	130 38%	111 41%	114 32%	340 39%	333 41%	83 43%	458 41%	142 45%	50 50%	18 40%
ΧΩΡΙΣ ΑΠΑΝΤΗΣΗ	(14)	827 41%	358 38%	469 45%	116 41%	126 35%	160 41%	142 42%	109 40%	174 49%	399 46%	312 39%	86 35%	448 40%	186 33%	38 38%	15 33%
IYNOAO	(15)	2090 100%	952 100%	1048 100%	284 100%	360 100%	389 100%	342 100%	270 100%	355 100%	870 100%	803 100%	191 100%	1129 100%	325 100%	100 100%	45 100%

- Key:
 1. Basis: All who were questioned
 2. Sex

 - 3. Total
 - 4. Men
 - 5. Women
 - 6. Age group
 - 7. Education
 - 8. Elementary
 - 9. Senior high school
- 10. Advanced
- 11. Family income in 000 drachmas
- 12. Yes
- 13. No
- 14. No answer
- 15. Total

	(1)	 			MEFE	8 O I II	OAHI	(2))		ΓΕΩΓΡ	AMKO AI	MĘP IZMA	(6)
(1) BAZH=OAOI OI EPOTOMENOI		1YN0A0 (3)	ABHNA	9632A (5)	50 001 150 000	10.001 50.000	2.001 10.000	501 2 000	1-500	ITEPEA (7)	LEVOLON:	OCITAN (9)	MAKEADN (10)	ÀYAIÓ (11)
		2000	622	146	102	266	230	350	284	848	208	246	.506	192
NAI	(12)	352 18%	124 20%	· 43 29%	18 18%	46 17%	42 18%	48 14%	31 11%	134 18%	34 16%	17 7%	.]18 . 23%	49 26%
OXI	(13)	821 41%	255 41%	73 50%	40 39%	104	99 43%	137 39%	113 40%	333 38%	57 27%	111 45%	248 - 45%	72 38%
ΧΩΡΙΣ ΑΠΑΝΊ	^{τΗΣΗ} (14)	827 41%	243 39%	30 21%	44 43%	116	89 39%	165 47%	140 49%	381 45%	117 56%	118 48%	#140 28%	71 37%
ΣΥΝΟΛΟ	. (15)	2000 100%	622 100%	146 100%	102 100%	766 100%	230 100%	350 100%	284 100%	848 100%	208 100%	248 100%	508 100%	192 100%

- Key:
 1. Basis: All who were questioned
- 2. Size of city
- 3. Total
- 4. Athens
- 5. Salonica
- 6. Geographic division
- 7. Mainland Greece and Evvoia
- 8. Peloponnisos
- 9. Thessalia, Ipeiros and Ionian Islands
- 10. Makedonia and Thraki
- 11. Aegean Islands and Crete
- 12. Yes
- 13. No
- 14. No answer
- 15. Total

BATH-OA	OI OI EPOTOMENOI	24NO/02	(KOZAN	(4)	(5k)r	(KKE) Ev.	7 _{EPIEN}	(8L)rko	(APAHEH	(LED THOISAN
DATII-ON	(1)	2000 4	553	424	131	35	5	50	584	217
NAI	(11)	352 18%	143 26%	68 16%	5 4%	3 9%	÷	10 20%	88 15%	35 18%
OXI	(12)	821 41%	196 35%	243 57%	95 73%	25 71%	5 100%	19 36%	155 27%	82 38%
ΧΩΡΙΣ ΑΠ	IANTHEH (13)	827 41%	214 39%	113 27%	31 24%	7 20%	Ξ.	21 42%	341 58%	100 48%
ΣΥΝΟΛΟ	(14)	2000 100%	553 100%	424 100%	131 100%	35 100%	100%	50 100%	584 100%	217 100%

- Key:
 1. Basis: All who were questioned
- 2. Total
- 3. PASOK
- 4. ND
- 5. KKE 6. KKE (Int) 7. EPEN
- 8. Blank ballot
- 9. Refused
- 10. Did not vote
- 11. Yes
- 12. No
- 13. No answer
- 14. Total

BAZH=OAOI	OI EPOTOM	ENO!	2) EYNOAD(3 DATOK	4194	5 KKE	KR44	EAR 7	AHAMA)	E(FE)	(FYEG)	ANATIONAL	APNHEH	ΔΕΝ ΘΑ ΨΗΦΙΣΟΥΝ
	(1)		2000	458	447	188	18	19	7	7	138	(114	642:()	2) 48 (
NAI	(14)		352 18%	99 22%	91 20%	6 4%	1 8%	4 21%			37 27%	18 .	87 14%	11 23%
OXI	(15)		821 41%	187 41%	251 58%	118 70%	14 78%	11 58%	5 71%	6 88%	55 40%	Å,	159 25%	12 25%
ΧΩΡΙΣ ΑΠΑ	ИТНЕН (16)	827 41%	172 38%	105 23%	44 27%	3 17%	4 21%	2 29%	1 14%	48 33%	29 59%	396 °	25 52¥
IYNOAO	(17)	2000 100%	458 100%	447 100%	168 100%	18 100%	19 100%	7 100%	7 100%	138 100%	49 100%	842- 10 6%	48 1003

- Key:
 1. Basis: All who were questioned
- 2. Total
- 3. PASOK
- 4. ND
- 5. KKE
- 6. KKE (Int)-AA
- 7. EAR
- 8. DIANA
- 9. EPEN
- 10. Blank ballot
- 11. Undecided
- 12. Refused
- 13. Would not vote
- 14. Yes
- 15. No
- 16. No answer
- 17. Total

Findings Favor ND

35210050 Athens I VRADYNI in Greek 2 Dec 87 pp 1, 3

[Text] The poll that was published and that showed PASOK coming out ahead of ND was forged. If a correct representative ratio in he sample of those questioned had been maintained, the ND would have come out ahead of PASOK by about 8 percentage points. Proof of the fact that this concerns an "unreliable" poll is the admission that the makeup of the "body of voters" who took part in the survey was of unequal weight.

Specifically, while PASOK was represented in the sample of those questioned by the percentage it received in the 1985 elections, ND was represented by a percentage smaller than what it received in 1985, while the KKE and KKE (Int) with slightly higher percentages. This means that the people who were questioned and who provided the results published were made up, to a greater than normal percentage, of PASOK and more leftist elements. It must be emphasized that if the original sample, form a percentage standpoint, were correct, then the final result (even if we were to accept the rest of the poll's findings as presented) would have made ND come out ahead of PASOK by about 8 percentage points!

Mr L. Kyrkos, EAR secretary general, also said that this concerned an "unreliable poll." Speaking to reporters, Mr Kyrkos expressed his sorrow over the fact that a "valid newspaper was trapped" and published this unreliable poll and he stressed that, in his opinion, the publication of the poll, that represents PASOK as coming out ahead, is probably part of the effort being made to promote Mr Papandreou—and endeavor whose first step came in the excessive coverage to and promotion of the prime minister's visit to Akhaia.

In its presentation of poll tables, ELEVTHEROTYPIA yesterday tried to interpret the fact that fewer than the normal percentage of ND voters took part in the survey and it wrote that the 6 percentage point difference (ND had 41 percent in the 1985 elections and only 35 percent in the poll) must be attributed to the fact that some who had voted for ND in 1985 do not say so today.

Fraud Charged

35210050 Athens I VRADYNI in Greek 5 Dec 87 p 18

[Text] The Gallup poll results published Monday in ELEVTHEROTYPIA and that gave PASOK 41 percent and ND 40 percent are now being revealed as being faked. The "ICAP-Greece" firm that conducted the poll for ELEVTHEROTYPIA, in a letter published yesterday in the newspaper, stressed the following:

"The table that shows PASOK 41 percent, ND with 40 percent and the KKE with 15 percent, etc. was compiled by ELEVTHEROTYPIA and constitutes its own evaluation!"

In an explanatory note that follows ICAP's letter, ELEV-THEROTYPIA admits that these percentages were its own estimates.

The ICAP letter:

"Mr Director,

"With regard to the panhellenic poll conducted by ICAP for ELEVTHEROTYPIA and with regard to the uproar crated over the interpretation of the results, we would like to clear up the following points:

"ICAP handed over to ELEVTHEROTYPIA mere statistical tables and did not make any interpretation of the results. The tables that shows PASOK with 41 percent, ND 40 percent and the KKE 15 percent, etc. was compiled by ELEVTHEROTYPIA and constitutes its own evaluation."

ELEVTHEROTYPIA's Explanatory Note

"The final evaluation was made by ELEVTHEROTY-PIA in a way that allots percentages to the parties in accordance with the electoral law. The manner was analyzed in the table below with the overall percentages as follows: Of the 2,000 persons questioned, 1,952 answered that they would vote but of these 33 percent refused to answer for whom they would vote.

"With the elimination of those who refused to answer and those who would not have voted there remained 1,310 persons who said that they would have voted and they answered the question. Of these, 11 percent said they would have cast blank ballots and 4 percent said they were undecided. With a proportional distribution of these percentages we come up with the final result of the poll.

"ELEVTHEROTYPIA has used this method form the outset to come up with its final conclusion."

Figures Contested

35210050 Athens I VRADYNI in Greek 1 Dec 87 p 5

[Text] Yesterday, PASOK was presented as coming out ahead of ND by 1 percent in a Gallup poll with many gaps. The newspaper ELEVTHEROTYPIA published a poll conducted by the firm ICAP and by processing the results in a very unscientific fashion it showed PASOK coming out ahead of ND with 41 percent versus 40 percent for ND.

Nevertheless, the most important element and the most impressive of the poll is undoubtedly the unusually high percentage of those questioned who refused to reveal what they would vote for. Of a total of 2,000 persons questioned, 32 percent refused to answer the question "for whom would you vote today?" Experts maintain

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that "it is known internationally that persons who are dependent on the government and who have an opinion different from it usually refuse to answer."

At any rate, the formally "correct" result of the poll is not the 41 percent versus the 40 percent that the newspaper put forth but the 23 percent versus 22 percent for PASOK that the firm provides in absolute percentages.

The poll results offered an opportunity to Prime Minister A. Papandreou to say in Patrai, where he was visiting, that the people continue to support PASOK and that ND cannot talk about a minority government. Nevertheless, Mr Papandreou stressed that the poll results do not lead him to a decision to resort to early elections.

The prime minister emphasized, "Elections will be held in 1989." He expressed certainty that at the time of elections PASOK's percentage will be even higher.

However, experts note two other factors with regard to the ICAP poll. First of all, that even if the 41 percent versus 40 percent were correct, this shows that PASOK has lost about 5 percent of its strength, as had been registered in the 1985 elections. Secondly, that if DIANA's 1 percent were added to ND's 40 percent, then PASOK does not come out in front.

In order to provide a complete picture, perhaps one may have to recall that ICAP has in the past presented ND as coming behind PASOK and that this had been proven to be incorrect. Specifically, an ICAP poll on the eve of the 1982 municipal elections had Mr Beis coming out ahead of ND's candidate, Mr Tzanetakis, by a 42 to 22 percent margin, while 2 weeks later when elections were held, Mr Beis and Mr Tzanetakis came out even, each getting 38 percent of the vote.

According to the first poll tables published yesterday by ELEVTHEROTYPIA, both parties are proportionately preferred by the same percentage of voters between 18 and 24 years of age and those between 35 and 44 years of age. PASOK has a greater percentage among those between 25 and 34 years of age and those 65 and above, while ND comes out ahead with those between 45 and 54 years of age and those between 55 and 64 years of age.

In connection with educational levels, PASOK has a greater percentage among senior high school graduates, while ND has a greater percentage among those who have completed elementary school and graduates of advanced schools.

In connection with income, PASOK has a greater percentage among those voters having a low or average income, while ND comes out ahead among those having higher incomes.

ND High in Other Polls

35210050 Athens I VRADYNI in Greek 8 Dec 87 p 18

[Text] According to consolidated results of four polls conducted by three agencies (Eurodim, METRIX and MRB) and that concur with each other, ND comes out ahead of PASOK by 6.5 up to 10 percent. These results were presented yesterday noon over radio station Athens 984-FM on the broadcast "Public Opinion on the Radio Waves."

After the presentation of the results, Messrs Dimitras and K. Ploumbis, as well as ND Deputy Stef. Manos spoke. The PASOK representative did not show up.

As Mr Dimitras said, the following basic conclusions come out of these polls:

- 1. ND comes out ahead of PASOK by 6.5 to 10 percent. However, ND's present percentage is 3 percent (Eurodim poll), 6 percent (MRB poll) and 8 percent (METRIX poll) smaller than what it was in 1985. There are still many undecided voters: 15 to 30 percent.
- 2. A 2 to 3 percent has moved from PASOK to ND and a 1 to 2 percent from PASOK to other leftist parties. If this marginal 4 to 5 percent does not return to PASOK, then even if PASOK were to get back all the dissatisfied PASOK undecided voters it would still come behind ND by at least 1 to 2 percent.

Moreover, ND's strategy must be the following:

- 1. To hold on to the 2-3 percent that it got from PASOK and to attract an additional 1-3 percent dissatisfied PASOK members that would then bring it above 45 percent. Of course, another goal is to influence and double the number of undecided voters so as to get close to 50 percent. However, it has not yet succeeded in attaining this: the 47 percent that is mentioned as its current strength presumes further displacements of dissatisfied PASOK members that could occur but that have not yet occurred.
- 2. In order to hold on to first place, PASOK must not only attract merely those presently undecided voters who had voted for PASOK in 1985 (about 1 million voters) but must turn back the tide of desertions to ND and other leftist parties of a 4-5 percent of its 1985 voters (300,000 voters) who have already deserted.

False Interpretations Reported 35210050 Athens KYRIAKATIKI ELEVTHEROTYPIA in Greek 6 Dec 87 p 9

[Article by Potis Paraskevopoulos]

[Excerpt] The ICAP electoral poll that was conducted on the request of ELEVTHEROTYPIA has shaken up the staffs of political parties and has roused the interest of the electorate. Political leaders hastened to comment on

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the results, each according to the position his party had on the table of sample preferences that was published. And some celebrated while others were bothered.

Prime Minister Andreas Papandreou, also PASOK president, wrongly got enthusiastic and, indeed, hastened to say that the poll was changing the political scene of the country. Polls do not change but illustrate the political validity of the poll. The poll's message is not the difference of 1 percentage point from one party to another. EAR secretary Leonidas Kyrkos was wrongly disturbed over the small percentage received by his party. Cold figures on tables should have prompted other thoughts. Finally, KKE secretary general Khar. Florakis did well to keep silent, it suffices that he was not aware.

The ICAP poll was a cold shower for the two big parties. For the government and the major government opposition party. In the 2,000 sample—and that is what counts because it was on the basis of that that the poll was drawn up—the two major parties have the express preference of only 45 percent of the electorate (23 percent PASOK and 22 percent ND). A 41 percent turned their backs on existing parties. An 11 percent preferred other parties and 2 percent remained undecided.

These indications of the poll reveal the repugnance of 41 percent of the electorate toward both the government and the major government opposition. This should cause worry to PASOK's and ND's leadership. Mr Papandreou's celebration and Mr Mitsotakis' indignation do not change the disheartening message of the cold figures.

After 6 years of government power, the socialist PASOK has succeeded in getting half of its 1985 election voters (it had obtained 46 percent in these elections) to keep their mouths shut to polls. It is a well-known fact that members of a government party do not hesitate in expressing their preference at polls. So, the prime minister's euphoria over the poll results is unjustified. Unless he is merely satisfied with his policy by the popular majority. But then he should not talk about popular sovereignty and socialist change with popular approval. Government authority is, of course, given by contrived electoral systems but a popular majority is won over by a correct policy and proper governing.

ND has been a major government opposition party for 6 years. It has not been able to win the preference of those unhappy with PASOK's form of governing. As a major government opposition party it was not convincing enough to be preferred as a government. The refusal of 41 percent to express a preference for either party is a slap in the face of the major government opposition party.

According to the poll, the parties of the communist Left continue to be outside the power game. A 41 percent refuses to give preference to these parties also. The voters' disillusionment with the government and the

major government opposition party does not incite them to embrace the parties of the communist Left. This should cause them problems.

It is not the simple proportional electoral system that will resolve the problem of their strong presence on the political scene of the country. The simple proportional electoral system will give the parties of the Left a parliamentary strength that corresponds to the number of their voters but it will not bring in votes. This 41 percent does not seem, in its stance vis-a-vis the parties, to be fighting for the fate and future of socialism in Greece. Rather, its confidence in the parties has been shaken. And that is what is most disturbing. Socialism can endure. However, the Greek people do not endure somebody else ill-treating it.

The second message of the poll is the preference on the part of 18 percent of the voters for a centrist party. It is this 18 percent of the voters who give government power to one or the other party. It is important that these voters have expressed their preference in a party whose policy and program they do not yet know. It is primarily a healthy negative stance to the polarization and one-party governing of the country. They reject political duels and duelists of bipolarization. They want governments of democratic cooperation in order to be protected from the authoritarianism and arrogance of the one-party state and from the immunity of the one-party power.

The 18 percent of the electorate, with its preference for a centrist party, reject frontal ideological and political confrontation. They do not agree with the black-white totalitarian philosophy of Mr Koutsogiorgas and the reformists of the Right, according to which the 51 percent majority is justified in exterminating the 49 percent minority. The preference of the 18 percent for a centrist party s a condemnation of bipolarization and bipartisanship in the political life of the country. This is confirmed by a third message sent to the two major parties by the ICAP poll: in answer to the hypothetical question if they had to choose from only one of the two parties, PASOK and ND, 45 percent of the voters dismissed the dilemma.

These are, in the view of this column, the essential political conclusions that ensue from the ICAP poll.

Misuse of Poll Charged

35210050 Athens EMBISTEVTIKO GRAMMA in Greek 9 Dec 87 pp 11-12

[Text] From the letter ICAP sent ELEVTHEROTYPIA regarding the well-known poll and from statements made by its director, Mr Lykiardopoulos, to PROTI (similar statements were made to EMBISTEVTIKO GRAMMA by Mr Tilemakhos Dil) it is clear that the polling agency does not agree with the way the newspaper used the poll.

As PROTI wrote:

"Mr Andonis Lykiardopoulos was categorical yesterday evening in his meeting with PROTI. He pointed out that the poll the agency turned over to ELEVTHEROTYPIA was different from the one that saw the light of publicity."

ELEVTHEROTYPIA answered ICAP in a most reproachful manner because it did not defend the poll "from the silly accusations as being allegedly improvised, unscientific and probably suspect" but tried "to attribute the matter" to the treatment of data by ELEVTHEROTYPIA. The newspaper points out the following:

"But, Mr Lykiardopoulos, nobody has criticized ICAP for ELEVTHEROTYPIA's conclusions. Political terrorism that was exercised to your detriment had to do with the validity of the poll and it was this validity that you had to come out and defend."

Of course, things are not at all like that. ELEVTHE-ROTYPIA (and specifically Mr V. Netas, well-known to all on state television) ingeniously misled the public on the very day of its publication, confusing the results of its own analysis with those of ICAP in such a way that the reader could not distinguish which result ICAP had adopted.

This occurred in two ways:

- 1. ELEVTHEROTYPIA presented the results of its own treatment in tables similar to those used by the polling agencies and no where did it mention that these tables were not prepared by ICAP.
- 2. An article, titled "How the Results Came Out," the first day, was accompanied by tables with explanatory texts that explained the processing method (without at the same time making clear by whom it was made) that concluded with the sentence: "with an apportionment of these percentages we come up with the final result of the poll."

In other words, the newspaper referred the reader to its own treatment that it presented as "the final result of the poll," without, however, mentioning anywhere that it was its own "final result" and not ICAP's. ICAP that unjustly bore the entire burden of attacks (just and unjust), therefore, has every reason to protest the ingenious confusion created by ELEVTHEROTYPIA and Mr V. Netas. It seems that the one goal they did not have in mind when they published the poll was objectively informing the public.

This is something, moreover, that appears from the fact that they put off until the second day the publication of the table that described the methodology of the specific sample in 1985. This table, that showed that we are working with a sample that, in essence reveals partiality to the detriment of ND by 6 percent, renders useless (and

for that reason unreliable) the analysis by Mr Netas who ignored specific facts and treated data as if they had come from a sample that had correct proportions of 1985 ND and PASOK voters.

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'Candide' Club Of PCI, PSI, Independent Leftists 35280067c Rome LA REPUBBLICA in Italian 29 Oct 87 p 11

[Article by Giorgio Bocca: "From Natta to Voltaire; New Jacobins Being Born in Bologna; Red California Needs Ideas"; first paragraph is LA REPUBBLICA introduction]

[Text] The chairman is Stame, the vice chairman Cavazzuti, and Fanti, Turci, and Pasquino are among the partners. "Power wears out those who have it, and we have had it for 40 years. We no longer engage in politics, we administer." But Pajetta states ironically: "I already joined a club in 1925: it is called the Communist Party."

Bologna—In changing Italy the incredible happens: Communists in party and also in power are founding a club outside the party together with Socialists. And the Bologna club has taken the name Candide, and looks to Voltaire and not to Proudhon. O tempora! "What is your plan with the Candide? Are you preparing revolution like the Jacobin clubs?"

Federico Stame, the chairman of the newly born club of the Bologna Left, smiled with notarial reserve: "It would be enough for us just to restore a little circulation of ideas in the Left." The vice chairman of the club and senator of the independent Left, Cavazzuti, put it differently: "Power wears out those who have it, and here we have had it for 40 years. In Bologna no one talks politics any longer, they are administering. In the party they say that after the election there was lively discussion, widespread. Yes, but to mediate among the existing, not to innovate. That 40 years of governing has produced a strong bureaucracy seems logical to me and to a degree necessary. But in the meanwhile, there has formed a minority that wants to escape from the rituals of the parties, from their "material establishment," from their "establishment in fact." Professor Romagnoli, Communist, added: "A long, very long time in power, a 40-year government has produced very good services and has saved the environment, but has not developed a culture of governing. Thus, we do not say that our initiative for reflection and stimulation is premature, we say that it can no longer be delayed. What made up our minds? Let us say it frankly, the election blow."

In the Reddest Regions of Italy

There are two curious features that occur to the reporter and reader in regard to the birth of a club like Candide and the Florence counterpart: why today and not yesterday? And why in the two Reddest regions of Italy? Senator Gianfranco Pasquino is a man of calligraphy and keen intelligence: "I would answer as follows. Because this is the California of Italy, and because here the Left is in a majority. As the Italian California the good services and administration are no longer enough for us. We would like, we also, the nonmaterial benefits of the postmaterialism, as they are called, the information, the planning, the ideas, all that the Left is no longer able to give us. And then, because the Left of Emilia and Toscana is a large Left, variegated, composite, and interclass, in which there are people who feel the need for a cultural life that the parties are no longer able to give."

The Candide club has been under slow and in some aspects casual gestation since 1986. It was to become formal in the spring of 1987. But then came the early elections. In any case, the reason that bound together and influenced the 35 promoters did not change. Anyone who knows them is aware that they are divided equally among party men who have had and still have major professional and managerial experience, and scholars in social, economic, and legal doctrines. All are concerned about the decline of the decision-making ability of the Left, which stands between the nondecision of the Communists and the decision in a personalistic, top leadership and indisputable way by Craxian Socialism.

The fact that the club promoters are of Communist and Socialist origin does not mean excluding other parties. It means that Communists and Socialists were motivated by urgency, by necessity of the contradictory but interreacting processes of their parties. The increasing power of the PSI enables Socialists to enter without inferiority complex into a political-cultural club along with party Communists or those elected by Communist votes; and the PCI's crisis of identity and its inertia prompt Communists dissatisfied with a purely formal "diversity" and concerned about the future to look around, and to rediscuss also the sacred things.

There are also some ambiguities in the newly born Bologna club, for that matter, just as in anything born in periods of fatigue and uncertainty. No one knows whether certain powerful Communist representatives have joined it to give life or voice to the movements that they do not dare to or cannot create within the party, or out of sincere vocation to study and stimulation. Their biographies do not appear to be those of disinterested students. Nor does anyone know how a culture of governing can emerge from an association which describes itself as outside ideologies and the life of the parties. Also, the name Candide conveys, we believe unintentionally, the same uncertainty: one does not know whether they want to identify themselves with the illuministic optimism of Candide, or with his skepticism as

he yields to the wickedness of the world. However, there is this new event, and it is in a period when our politics is sadly lacking in new events. Only a few years ago, the founding of such a club in Bologna would have appeared more than impossible, unthinkable.

In yesterday's Bologna, at the slightest suspicion of heresy the Communist member was tried. Even now there has been a trial, of philosophy professor Carlo Monaco, an official of the university, guilty of having stated in an interview that there is no longer any discussion in the Bologna PCI. However, there has not been the ritual excommunication, and Monaco has stood by his ideas and we find him among the promoters of the club, and along with him some highly respected Communists such as Guido Fanti, former mayor, former region president, and president of the very powerful Lanfranco Turci cooperatives; Council Member for Health Moruzzi; independent Senators Pasquino and Cavazzuti; and intellectuals such as Sofri, Bonfiglioli, Roversi and Pambeni.

"So Many Parties in the Party"

How did the PCI receive the foundation of the club?

"You know," said Senator Pasquino, "there are so many parties within the party. The local one, the Bologna party in Via Barberia and the national one of Via Botteghe Oscure, the 40-year-old party and the 60-year-old party." Those most experienced in the miserable circumstances of this world say that there are also the party that gives you something to eat and the one that only gives you something to think about. Disobeying the former is more difficult. In any case, for now there are different responses both in Bologna and Rome.

Giancarlo Pajetta responded: "In 1925 I joined a club called the Communist Party"; and Natta said something similar. On the other hand, the meliorists were available. In Bologna there was the tough no by the party secretary, Mussa, but a large "in favor" vote among the intellectuals. Mayor Imbeni was quiet as a fish, with his predecessor Zangheri still in a meeting.

"I refuse to believe," said Senator Pasquino, "that the PCI regards us as a political and destabilizing force. We are simply a group of persons who want to think and who can help the party to think. Moreover, it is time the party gave itself a cultural canon. The same applies to the Socialists. They are not joining the club against the PSI, but for a better PSI."

Senator, for years in France initiatives like yours have been systematically rejected, condemned by the Communist Party, which has henceforth chosen the path of survival by consumption. Will the same thing happen in Italy? POLITICAL

"I certainly hope not, and the differences between the Italian party and the French party give me cause to hope. However, we are not seeking to have our thinking enter the party. We are outside precisely to remove this thinking from the chronic, systematic patronage by the party, from its swallowing up of the criticisms and dissent. They say: But if you go to discuss in your salon, don't discuss any longer in our house. In my view, that is a baseless concern."

Senator Romagnoli observed: "I would not so much say baseless. The presence in the club of certain powerful Communists immediately raises this question: but why if they have something to say, they who are able to say it, why don't they say it in the party? Let me be very clear, I am not against the presence of these gentlemen. However, I would be more at ease if for each of them there were a hundred Communists and Socialists without power in the party."

The initiative of Candide and the other clubs is not without risks. One is if there develops an open hostility of the parties. Perhaps they will not feel like applying it in an official excommunication, but they do not lack means of under the table dissuasion. The reason for the dissuasion is obvious. The two Leftist parties are both centralist, both in culture crises, both dominated by electionism. The presence of independent islands, authoritative and critical, could cause them some trouble. Another, contrasting risk is the enter phenomenon: that is, that the parties put out by the door will try to reenter by the window by enrolling their supporters. It is to protect against this danger that during the first year admissions will be reviewed by the club executive committee.

"We Will Not Discuss Big Formations"

What does Candide intend to discuss? "The thorniest issues," said Senator Cavazzuti, "such as regulation of strikes, the law on the judiciary, and electoral reform." "We are not here," said Stame, "to discuss big formations, and we are also not interested in getting involved in internal problems of the parties and their relationships. What interests us is a culture of governing."

"There is one thing to which I cannot resign myself," said Senator Cavazzuti. "Here in Emilia and throughout Italy, the Communist Party has strongly contributed to the economic and civil growth of the country, it is strongly rooted in this democracy, and it defended it in the years of shooting. Then why must it still call itself different? Why not give itself a culture of governing the country as it is and as it can become?" In monarchical France, the clubs came before the parties, in Republican Italy after. There, to change the world from the foundations, here, to reform it. But do you believe that that is easier?

PCI's Reichlin Proposes 'New Deal,' Defends PSI's Craxi

35280067b Rome LA REPUBBLICA in Italian 6/7 Dec 87 p 10

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[Text] Rome—"Craxi cannot be judged as in the category of 'betrayal.' Benefiting also from our vacuum of political initiative, he has injected the PSI into the new field of forces and problems that has emerged n Italy, and has impartially played his part." This was stated by Reichlin, responsible for the program office in Communist Headquarters, in an interview for L'ESPRESSO.

Craxi is not a "traitor," but this does not mean that the PSI is absolved: "In fact, it is increasingly evident that the attitude of the Socialists in face of the great changes of these years has been largely subordinate."

On Communist Headquarters' open campaign for institutional reform, Reichlin said that the PCI, "in order to refind its identity, must escape from a destructive dilemma: the dilemma that imposes a choice between fortifying in defense of the lower classes, and any kind of involvement—including subordinate—in the area of government. Escape from this impasse is possible on the basis of a program of government that becomes the central core of the new historical phase that we are experiencing: a plan whose fulcrum is a profound transformation of the state in response to the first republic that faces us."

"When we talk about reform of the political system," said Reichlin, "we do not mean only actions of institutional engineering or changes in the election law, but a profound alteration in all the relationships between the political forces and the society."

The Communist leader recalled Roosevelt: "The success of Roosevelt's New Deal had much more a political-social character than an economic one. He rewrote the grammar of the relations between capital and labor, between state and civil society. We must do something of that kind today. In this connection, it would be wrong to maintain that the PSI has been solidly established in a centrist and conservative bloc, both because that party has maintained its presence in the organizations of the left and because its policy in the past few years has not led to stabilization."

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Cossiga Urges Reform, Cooperation From Parties

New Year's Eve Speech

35280084a Rome LA REPUBBLICA in Italian 2 Jan 88 p 3

[Report on New Year Speech by President Cossiga]

[Text] Rome—The year 1988 should be the year of institutional reforms, a "thus-far unresolved" problem in face of a "state need" that is instead growing. It is not

a matter of producing a new constitution, but of adapting the existing one to the new tasks. The condition for avoiding everything ending up in an exercise of constitutional engineering is, nevertheless, that the parties be able to renew themselves from inside and rediscover their basic role of "organizers of the involvement of the citizens in the state."

This stern call to the political forces is the preface to the various reforms of Parliament, the local authorities, justice and the public administration, and constituted the main points of the message to Italians that Head of State Francesco Cossiga read over the television networks in the evening of 31 December. It was a text in which the range of necessary reforms covered a rather broader arc than just the functioning of Parliament, and in which institutional overhaul also was represented as the indispensable instrument for bringing the functioning of Italian political life into step with the role now played in the world.

In fact, the message of the president of the Republic started with the international scenario: the year that is ending saw the "enormous hope" prompted by the Reagan-Gorbachev summit, but also the economic-financial crisis and the worsening of the chronic instability in the Middle East, where, along with the Iranian-Iraqi conflict, there reemerged the tension between Arab states and Israel, which—as Cossiga recalled, following the polemics that ensued from his trip to Palestine-"has dramatically raised again, in a pressing way, the need to achieve coexistence of the state of Israel's right to a peaceful and secure existence, and the right, no less legitimate, of the Palestinian people to a homeland and a future." Cossiga said: On this world scene Italy presented in 1987 a "high and well-defined" profile: the summit of the Seven in Venice, the "neutral peace mission" in the Persian Gulf, aid to the Third World, and commitment to peace and disarmament. "Within the country," the Republic president continued, "matching the better international profile, there was a different spirit, that is, a rather more dynamic desire and more decisive will for social, economic and cultural growth, participation and equity." Alongside this positive balance there is the agenda of the things to be done in limited time. In fact, "To be done almost as a counterbalance to the success achieved, there is a slight and thus far completely unresolved problem: adapting our institutions to the needs of today, and, above all, of tomorrow." There are symptoms, Cossiga continued, of an "inconceivable and unacceptable" detachment between the real country and the state, and of a "malaise of the institutions," that strengthen the demand for a democracy that is "even more modern, even more mature, even more aware."

In short, in Cossiga's view there is in the country a great "state need" to which we must respond with determination, but also "with the graduality and prudence that are ingrained in our traditions and our political system." The head of state pointed out in his message that it is not

his task to formulate specific proposals, but explained that the first task to accomplish, "if one wants to be credible and believed," is "a better rationalization of our system of parliamentary government in order to make the work of the Parliament and the executive more effective and adapted to the needs of a democracy with high industrial development such as ours, and to demands expressed in terms of new rights and new freedoms coming from the civil community and the production forces."

It is not a matter, Cossiga warned, of founding a new constitutional order, but of adapting the existing one, "in full respect for the fundamental values and practices." In Cossiga's message the crucial stage of this process is that of the parties. Indeed, it is up to them to renew from the inside "a system that indeed constitutes, and must continue to constitute, the bearing structure and the essential instrument of political freedom."

The call to the political forces is a serious one. "The concept that confines the parties to a pure function of exercise of power, with all the temptations that that involves, must urgently give way to rediscovery of the fundamental role that they can and must play as organizers of the citizens' involvement in the state." It is a transition that one cannot ignore, according to the Republic president, because "without such a change in perspective there is the risk that the institutional reforms may remain an exercise in sterile constitutional engineering, without leading, as they should, to the essential objective of promoting the growth of democracy."

In this connection, Cossiga is concerned with not limiting the institutional reforms to Parliament, seeking clear-cut reform of the local authorities and a broad modernization of justice: implement legislative delegation for the new criminal procedure code, expedite some aspects of reform of civil trial, and upgrade structures, means, and personnel. In a year of polemics, even harsh, directed at the judges, the head of state wanted to emphasize that the Italian magistrature "has inscribed shining pages of courage and civil commitment," as in the struggle against terrorism and the Mafia, and "deserves the respect and support that the founding fathers demonstrated in establishing the great principles that regulate the autonomy and independence of the judges, in total respect for the law."

The other reform areas in Cossiga's message are public administration, which has interested the Republic president for some time, concerned to make the services of public utility "really efficient," from taxes to transport, to health, and the commitment to the South. In this connection, Cossiga recalled that the content of public expenditure "must above all include elimination of the areas of waste and unnecessary budget items, but must also be such as to enable an ever-more harmonious and balanced development."

The final wish was that 1988, "with the help of God, will be a year of serenity and well-being." Diagnosing the problems to be faced is easy, prescribing the remedies is more difficult. In conclusion: "I nevertheless believe that the higher concord in the interest of the common good, and clarity on the things to be done constitute an important point of departure."

Parties' Reactions to Speech

35280084a Rome LA REPUBBLICA in Italian 2 Jan 88 p 2

[Text] Rome—Cossiga's reference in his New Year message to the parties as centers of power, and to the necessity that they renovate themselves, has struck the political world like a whiplash, and, even on a holiday like yesterday, there was no lack of reactions. Which are all, as always in these cases, applause and agreement. With one exception: that of the PSI, which while it applauded, corrected Cossiga's diagnosis. The people are not so distant from the parties, AVANTI! writes, and the referendums demonstrated this.

The PSI organ, in fact, does not accept generic condemnations in the relations of the political forces: "Perhaps," it adds, "it would have been worthwhile for Cossiga, in order to give more vigor to the hopes for renewal, to cite the results of the referendum. It would have stood out better in the eyes of everyone, what Craxi had said before him, recalling Nenni, that there is still great strength in the parties, though they are experiencing a crisis stage." However, this was the only critical note from Via del Corso. AVANTI! notes with satisfaction that "the major reform of the institutions has received a consecration with the president's message."

Craxi's Watchword

"What was only a few years ago a need warned of by the Socialists and ignored by many others, has emerged as the central issue of the political interchange. Each one has his formula for making things work better, but no one any longer denies the evidence of the crisis." The Socialist daily recalls polemically that this watchword launched by Craxi in 1979 was received then with a disdainful attitude by the political world. "Only the presidency, Pertini, succeeded in shaking the official conservatism. At the end of 1987, Cossiga has put on record, as the Republic's grand notary, that matters of state are not functioning, and that the parties have to renovate themselves."

According to the Socialists, Cossiga has a delicate task in pursuing the reforms. AVANTI! explains: "We are expecting from the presidential palace a performance that will contribute to sheltering the Republic from the opposite temptations of immobility and destructionism." However, the "major reform" is primarily in the hands of the political forces. "Only with a great civil ardor can we avoid everything ending up as a soap

bubble or a deal. Cossiga," concludes the PSI paper, "has made it understood that he will pay great attention to the fate of the institutions, but that the game has to be played in Parliament."

On the other hand, total agreement on the part of the DC. Along with the warning to the parties, we read in today's IL POPOLO editorial: "Cossiga touches on what is perhaps the most real and painful problem of the reform." A problem that, according to the Christian Democratic organ, concerns legislation, "so that the parties will get back onto their course also by force of law," but also and above all "so that they reacquire a political custom whose observance will finally set the limit of the democratic practice of a political force."

The DC daily underlines with satisfaction that Cossiga, while insisting on the necessity for reforms, nevertheless explained that "the overall edifice of the Constitution must be kept protected," that is, "the final details, not the edifice, need to be retouched for the whole to be more functional." "Our constitution has operated since 1948 and is operating by guaranteeing, under difficult and often dramatic conditions, a constant progress of freedom and a secure growth. Despite the numerous government crises," notes IL POPOLO, "we are, after all, the European country with the greatest continuity of political line."

Unconditional applause for Cossiga from liberal Paolo Battistuzzi, pleased that the head of state has reintroduced the topic of reform of the parties, thus far "intentionally ignored" in the institutional debate. "Either the political associationism transforms from an instrument for preservation into a vehicle for participation and listening to social demands, or else the institutional structures will continue to be closed and jammed at the same time."

Even Pannella Satisfied

Even Pannella is happy, though still argumentative. "To be frank," said the Radical leader, "we would have expected for 1988 that the claims for untamed and total subdivision of the parties no longer be favored and accepted, as has unfortunately happened in the past few years, even in the presidential palace."

Another commenter was the president of the Senate, Republican Spadolini, who echoed "the admonition to the parties to regard themselves as both object and subject of any possible institutional reform, through the renewal task that they need to carry out within their walls to bring themselves up to the country's growing expectations." Spadolini regarded it as a "timely and significant" reference to Article 49 of the Constitution ("All citizens have the right to freely join parties to participate in the democratic method of determining national policy"), which the Senate president described as "never more pertinent than today."

PCI's Occhetto Comments

35280084a Rome LA REPUBBLICA in Italian 3/4 Jan 88 p 3

[Text] Rome—"The parties must increasingly fulfill their designed function; in the institutions, the task of expressing the general interests of the country." The call to the parties by the head of state to renew themselves "from within" has aroused interest in the PCI leadership, and Achille Occhetto appears pleased at having found reiteration in Cossiga's message of a concern he fully shares. To the extent that he discussed it at length in his speech to the last meeting of the party's Central Committee.

However, there is concern in the PCI also about the fact that Cossiga's correct call to the parties to return to their institutional role not be used by certain tendencies to indifferentism that could negatively mark the coming political season. Occhetto explained: "The president of the Republic's affirmation that the parties should renew themselves expresses a need that, as long as not framed in a generic campaign against the parties, indeed assumes a positive value."

In the view of the Communist deputy secretary, Cossiga's call is thus "consistent with what was said during our Central Committee session: it is necessary, in the context of a more general planning of reform, thatthe parties be generally able to perform their designed function, that is, thinking about and developing answers to the country's problems, in all their dimensions, political, legislative and cultural. On the other hand, to the institutions must be increasingly entrusted the task that is their responsibility, of expressing the general interests of the citizens." In this connection, according to Occhetto, "one of the main points can be a rethinking of Article 92 of the Constitution, so that through a new instrument, constructive no-confidence, the executive can be sheltered from the privateering politics of the parties."

In the view of the Communists, institutional reforms should be the priority area of debate in the coming months. On Christmas eve, this same Occhetto had returned to this theme: "If things stay as they are today, the loss of influence and function of politics can only worsen: with the consequence of breaking down and deteriorating the governing function itself. The country and Italians from now on want to be able to choose between programs and governments. And they want stability, openness, and efficiency of the various branches. The institutional reforms should conform to this logic."

Further Commentary

35280084a Rome LA REPUBBLICA in Italian 2 Jan 88 p 3

[Article by Miriam Mafai: "A Push on the Accelerator from the Presidential Palace"]

[Text] The debate on the institutional reforms, which has been dragging on in a tired, nervous and confused way for months now, received a strong and unexpected push on the accelerator in the president of the Republic's New Year message.

A push on the accelerator that in our view goes in the right direction, with a strong call regarding the necessity for broadening the rights of the citizens (what Cossiga calls a "mature democracy"), and with a very severe call to the parties to return, by giving up the temptations of power for power's sake, to their original and constitutionally provided function of organizing the involvement of citizens in the state. To meet this objective, a reform of the institutions should thus not be a pure exercise in constitutional engineering, nor should it have as its objective (whether more or less explicit) a strengthening of the decision-making powers of the parties and the institutions, but should on the contrary give (or restore) greater powers to the citizens, making them more citizens and less subjects or customers. If the malaise arises, as Cossiga himself said in his message, from the exclusion of citizens in relationships with the state, a serious reform of the institutions should provide measures suitable for overcoming this exclusion, giving the citizens more powers of involvement and control. Thus, a reform designed in terms of strengthening the parties themselves and the efficiency of the institutions would be moving in completely the opposite direction.

It was, in the style of President Cossiga, a message of mild tone, which appealed more to reason and to the heart of the listeners. It was known that Cossiga would be devoting a major part of his address to the issue of institutional reforms, and that, concerned by the possibility of arousing polemics, he had proceeded with the exasperated attention that is his trademark to successive adjustments and honings. It is not up to the president of the Republic to indicate the specific reform proposals, and in fact Cossiga did not do so. However, he did indicate, with great clarity, without emphasis or rhetoric, the reasons for the difficulty in the relationship between citizens and institutions, and the urgency of appropriate solutions.

Debate Running on Right Rails

Thus, the debate on the institutional reforms, which risked becoming a bla-bla-bla of political-speak, may, if the parties listen to these things he indicated, get running on the right rails, avoiding the danger that the issue come to be used as a pretext in a confrontational arena between political groups (or between factions of the various groups), or directly as an instrument for strengthening the present partycratic system.

Thus, we must now turn to stating "why" reform of the institutions is necessary. If this is not clear, then all proposals are possible, even the most contradictory. We need to know "where" we want to get to. Otherwise, the brash and categorical statement by Honorable De Michelis also becomes legitimate. He said a few days ago to this paper that the PSI "is loading up, at full steam, the locomotive of reforms," even though it is ready to



negotiate on its destination, but that "the timetable is very firm: there must be concrete results by March." Which is to say that one does not know very well where one wants to go, but wants to arrive there quickly. Concretely, the chairman of the Socialist deputies was essentially asking for amendment of the rules of the chambers by abolition of the secret vote in the Chamber of Deputies, and reducing the length of speeches. Rather little, as the conclusion of what was once called the Great Reform. Moreover, certainly not such as to excite and involve the voters, being clearly completely internal to the problems of efficiency of the political representation.

But is this, the efficiency of the representation, the real problem? Or isn't the real problem, the one needing response, that of reviving the relationship between the citizens and the institutions? Should a reform, be it small or large, give more power to our representatives and give them greater governing capacity, or should it give more power and control ability to the governed?

These questions, which thus far had not seemed to have a deserved presence in the debate, have found their place and their response in Cossiga's message. Thus, from today on the "reformers" will have to deal with these questions, will have to give an answer to these questions. And on this basis it will be possible to rekindle citizens' interest in a debate that otherwise risked remaining light years away from them. It is worth thinking carefully about some of these passages.

Danger of Exclusion

The reform of the institutions has a precise goal, according to Cossiga: "The stake in the game is the fundamental one of overcoming the feeling of exclusion between the common people and the state." This affirmation is of no small importance, because it refers to the sickness that risks corroding the bases of our democracy, specifically that of exclusion, indifference or frustration of the citizens, deprived of their right to have an effect on the policy decisions. The fact that this is the real problem, and that, as a result, the ultimate reform proposals must relate to its solution, is emphasized by the subsequent statement by Cossiga in which he warns that an answer must be provided "to the demands expressed in terms of new rights and new freedoms coming from the civil community and the production forces." If you take this point of departure, the rights of the citizens and their demands for new freedoms, all those solutions that tend to revive and exalt the moment of "governability" versus the moment of "consensus" appear nonfunctional. In fact, the objective for the institutions reform process that Cossiga proposes goes in this direction, that is, that of "a democracy that is more modern, more mature and more aware." But so that this will happen, a profound renewal of the parties is essential; they can fulfill their role as "organizers of the involvement of citizens in the state only if they reject the temptation to reduce themselves to pure centers of power."

We do not think we have ever heard from such an authoritative source such a vigorous call to the democratic role of the parties in our society, or also such an alarmed reminder of the dangers they are running. Cossiga warned: If the parties do not succeed in achieving this "change in outlook, there is a risk of the institutional reforms remaining a sterile exercise in constitutional engineering, without leading, as they should, to the essential objective of promoting the growth of democracy, an objective that we must all tenaciously pursue."

PCI, DC, PRI To Discuss Reforms 35280084a Rome LA REPUBBLICA in Italian 5 Jan 88 p 4

[Article by Sandra Bonsanti: "DC and PRI Yes to Communist Headquarters; Slight Resentments among those Excluded"]

[Text] Rome—Tomorrow, the Communist secretariat will formalize the "invitations"; but on the basis of the first informal contacts, both Christian Democrats and Republicans have already made it known that they will accept the request for two-party meetings on the subject of the reforms, but, as PCI Deputy Secretary Occhetto said yesterday, without an agenda and thus "free." Thus, they will talk about any topic linked in some way to the debate on the institutions.

Some puzzlement about the Communist initiative seems to linger, for various reasons, among the Socialists, and among the Liberals and Social Democrats, who for now have not been invited to the consultations. Craxi returned to Rome yesterday, and spent the day at Via del Corso working. However, Minister Tognoli made himself heard in lamenting the fact that Craxi had had to drop his request for direct election of the president, and warning that if the DC and PCI "progressively also shot down other possible and practical reform proposals that would mean that they really did not want any reform, either large or small."

In face of emergence of possible resentments, Occhetto yesterday wanted to make two points clear. First: "It is not the PCI's intention to conduct a kind of counterconsultations in respect to those conducted by the PSI." However, the Communists are amenable to "further meetings if proposed to us." Second: "We do not propose to establish an alternative alignment. We want to give these meetings an institutional character."

DC Deputies and Moral Issue

In regard to the PCI's consultations with the Republicans and Christian Democrats, only the date remains to be set: probably the meeting with the PRI can be held on Friday the 8th, while the meeting with the DC may be postponed a few days. In fact, at the beginning of next week, the DC leadership will gather at Villa Miani in Rome for a meeting organized by the deputies of the

cross shield with the significant title: "The Moral Issue as Reconciliation between Citizens and Institutions.' Everyone will be there: from De Mita, who has announced he will speak, to Andreotti, who has said he is very interested in the subject, to Martinazzoli, the organizer of the seminar, who stated: "The debate on the institutions will for the next few days be taking place through our meeting." The chairman of the DC deputies viewed with favor the meeting with the Communist delegation: "As long as we are talking and discussing, all is well. The problems come afterward, when the parties have to demonstrate that they are not narrow-minded, that they will leave aside their own interest." Martinazzoli was not referring to anyone in particular, but was condemning a practice: "There are some proposing reforms today who did not want to do so yesterday: the expediencies have changed."

And on the eve of the sessions of the deputies and the meeting with the PCI, Martinazzoli stated what are in his opinion the limits and objectives of the reform process.

Rules of Parliament

"By putting the moral issue at the center of our discussion, I do not want to portray us as an academy of moralists, but rather to reaffirm the concept that the reforms have meaning only if they originate with the people. We must turn to the real spirit of the Constitution, not change it. With our constitutional charter preserved, everything can be reformed."

That is why it appears opportune to begin with a reform of the rules of Parliament, and distinguishing the two chambers, not as the final objective of the reforming process, but as a necessary phase: "Ultimately, it is a matter of having available a more agile instrument, precisely for moving ahead."

The DC deputies meeting will follow two directions. The first devoted to the moral issue as "Duty in Reordering the Institutions" will be based on a speech by the former president of the Constitutional Court, Leopoldo Elia. The second, on the moral issue as "Duty in Economic and Social Reordering," is to start from a report by Giuseppe De Rita, the father of CENSIS. In short, the seminar is a follow-up to the one held last month by DC senators and devoted to the problems of the local authorities. It was on that occasion that Achille Occhetto, in an address, reported the attention of the Communist secretariat to the DC proposals. And De Mita, in turn, publicly declared that the concepts that emerged during the PCI Central Committee session had greatly interested him. "I will give you some notes on your report," he said then to Occhetto. The institutional discussion between the DC and the PCI is thus already at a good point, and the meeting proposed by Communist headquarters now comes to make official a period crowded with contacts and informal ties.

The director of IL POPOLO, Paolo Cabras, was also thinking about reforms. He criticized those who, by comparing the institutional reforms with the renewal of the parties, end up distorting Cossiga's message. Indeed, he wrote: "Reforms of the institutions and the parties are two faces of the same coin." The parties' task is "to reduce their presence in terms of unjustified retention of power, and pay attention to reforms while regaining the sense of common good and national responsibility." Cabras' editorial responded in an indirect way also to Tognoli's statement on direct election of the president. In fact, in Cabras' view, "the most decisional systems do not guarantee greater participation or a better quality of government, nor do they protect from huge strategic errors. Wanting better and renewed parties means guaranteeing the necessary reforms and operating in the channel of this Constitution that is the fruit of major tensions of ideas."

Scale of Priorities

In the Republican house, the meeting with the PCI is being judged as a positive development, and the group leader in the Chamber, Antonio Del Pennino, has said that it should help at least to "establish a scale of priorities," a work deadline. In Del Pennino's view, "The path of the reforms could begin with the reform of parliamentary rules, because this has been under discussion for some time and it does not require the constitutional changes necessary for other reforms." In the next few days, Del Pennino will send a letter to all the group leaders of the Chamber in which he will request, as a "good will action," the abandonment of the "secret vote in amendments to the finance law 1988 that require expenditure increases." It is likely that this topic will be discussed again at the meeting table with the Communist Party.

Parties' Positions on Reform
35280084a Rome LA REPUBBLICA in Italian
2 Jan 88 p 2

[Text]

This Is How They Would Like To "Correct" the State Positions of the Political Formations on the Main "Points" of the Institutional Reform

The table [on page 22] shows the position of the parties on institutional reforms, a topic at the center of the debate of the past few weeks and of President Cossiga's message. Four subjects are examined in particular: reform of the electoral system with introduction of the single-member constituency, by replacing the preference vote system with one similar to that now used for election of senators; direct election of the mayor, in which citizens would indicate on the election ballot whom they think should be the top citizen in their commune; the exclusion threshold, a proposal introduced by the Socialists, by which only those parties that received at least 5 percent of the vote could enter

	Single-Member Constituency	Direct Election of Mayor	Five-Percent Restriction	Two-House System
DC	Many in favor (including the group headed by Mario Segni)	Head of list of winning party becomes mayor (Spanish model)	No, but system of electoral quorum should be changed	Differentiate functions of two chambers, simplifying laws procedure
PCI	Views with interest the proposals for single-member constituency that protect proportional system	Open debate	Basically opposed	Single chamber
PSI	No	Yes, with discussion of communes applications	Its proposal	Laws approved by a single chamber
PRI	Discussion in progress. Some, like Del Pennino, favor single-member constituency with two rounds	Yes, only for big communes	No	Bicameralism correct
PSDI	Opposed, but in favor of reducing the preference system	Uncertain	Uncertain, tend toward redistricting	Differentiate functions
ЫŢ	Closely evaluate double vote, German style	No	No	Single chamber for laws, and one for check
PR	Single-member constituency, plain like English, with highest-vote winner	Yes, especially for metropol- itan areas	No, this is Craxi's "mini-reform"	Opposed to one-chamber conversion in corporative sense

Parliament; modification of the present bicameral system so that the Chamber and Senate would no longer have the same functions (as they do today), but would perform different tasks (or, as proposed by the Christian Democrats, the present double study of bills would be eliminated, and each measure would be directed to an appropriate committee in a single branch of Parliament).

PORTUGAL

Constitution's Revision: Parties' Stances, Demands

35420029 Lisbon DIARIO DE NOTICIAS in Portuguese 17-21, 23 Nov 87 p 2

[17 Nov 87, p 2]

[Article by Simoes Ilharco: "PSD Proposal Based on Coexistence"]

[Text] The system is functional when the individuals involved are functional. The system is semipresidential, and its "father" was Maurice Duverger. The individuals are Mario Soares and Cavaco Silva, the two protagonists of "coexistence Portuguese-style." The constitutional revision proposal of the PSD has an inspired philosophy—maintaining the system, coexistence, obviously, the conduct of individuals. And finally, rebutting the thesis of his detractors, Maurice Duverger has clearly explained to Portugal what the semipresidential system is. And the Social Democrats are again endorsing the separation and balancing of powers. As the most phlegmatic of Englishmen might say, coexistence "must go on." And the PSD proposal is a coexistence proposal.

The semipresidential system, with the double responsibility of the cabinet to the president of the republic and the Assembly of the Republic, was conceived to provide political stability and to avoid the evils of the presidential and parliamentary systems. In Portugal, prior to the coexistence of Soares and Cavaco, this system was held in very low esteem. There was not a politician or a constitutionalist who did not denigrate its virtues. There was even a great deal of talk, in the disturbed era which preceded the mandates of Soares and Cavaco, of the paradox of semipresidentialism, which, conceived to provide stability, produced only its precise opposite.

In public, the obsession with alternatives to the system was by that time dominant. But coexistence restored credibility to the semipresidential system. Soares and Cavaco rehabilitated it and demonstrated fully that the system functions when the individuals involved are functional. And they further proved that the existing instability was a result of factors outside the boundaries of the essence of the semipresidential system. Maurice Duverger's best lesson was taught in Portugal.

It was all of this political-constitutional analysis which led the Social Democrats to place their faith in the semipresidential system and in their proposal for constitutional revision.

President's Modifying Authority Essential

As a dedicated advocate of the semipresidential system, the PSD excluded ab initio any motion of constructive censure which would give the system a parliamentary slant. The Social Democrats believe that at times of crisis, the Assembly of the Republic cannot replace the "moderating and arbitrating authority" of the president of the republic, so that if the Parliament were to resolve the crisis by the appointment of a prime minister, the president would have no alternative but to "cut through the tape," to use Barbosa de Melo's expression.

Their stubborn defense of the "moderating authority" of the president might lead to the belief that the PSD proposal contains within it the desire to strengthen the authority of Mario Soares. This claim would not, however, be correct, since the Social Democrats are seeking only to increase the representative characteristic of the chief of state, with the introduction of absentee voting and the opportunity for emigrants to vote in the presidential election too.

Along with this enhancement of the representative aspect, the PSD rejects out of hand the constitutional logic deriving from the motion of constructive censure which would urge the election of the president of the republic by the Parliament and not by direct and universal suffrage. The representative nature of the president's post would then be seriously reduced.

Referendum, With the Sovereign Organs Cooperating

The hard nucleus of the constitutional revision proposal of the PSD is without a doubt the safeguarding of institutional harmony among the sovereign organs. The rules governing the binding popular referendum also reflect this spirit. There can only be a referendum with the agreement of two sovereign bodies, one of them being in all cases the president of the republic, and the other the cabinet or the Assembly of the Republic.

And why have recourse to a referendum? This form of recourse has constantly been advocated by the PSD since 1974. There are major national questions (the nuclear option, abortion and others) in connection with which doubt has been expressed as to whether the sovereign bodies have the authority to make decisions. As a result it is necessary to turn to a popular consultation, going to the sovereignty itself which lies with the people. Tax and budget matters are excluded from the referendum advocated by the PSD, because it would make no sense to ask for a "yes" or a "no" on a proposed reduction in taxes. There would certainly be a unanimous "yes."

If the referendum issue is a polemic one, the autonomous regions issue is is subject to multiple interpretations. And an objective analysis of the PSD proposal leads to the conclusion that autonomy would be strengthened if the presidents of the regional assemblies were consulted on the appointment or dismissal of the minister of the republic being made compulsory. As this minister belongs, or is regarded as belonging, to the Council of Ministers, he ceases his functions when the prime minister falls. It is further established that the authority to appoint the head of a regional government falls to the president of the Regional Assembly, and not to the minister of the republic, as was the case previously.

If there is any indication of increasing parliamentary power in the Social Democratic proposal, it is certainly with regard to the autonomous regions. With such a development, their autonomy would be greater. And the minister of the republic is not the representative of the crown, as in the Commonwealth, but rather of the state. Each autonomous unit would have its own increased parliamentary power.

The battle of the minister of the republic has already been waged. Who the winners and the losers are is not important. We should only heed the clear words spoken by Alberto Joao Jardim, after brandishing all of his arguments. "I will not sacrifice those who live isolated in the middle of the Atlantic because of a circumstantial issue."

Possible Reversal of Nationalization

The most profound and significant change in the economic sector is seen in the elimination of the principle of irreversibility for nationalization, making the establishment of the form and methods of returning businesses to the private sector possible by ordinary law.

It could be said that the path has been blazed for the reversal of nationalization. And the aspects of the present constitution oriented toward collectivization and centralization have been removed, in order to allow the normal functioning of the laws of the market and competition.

The constitutional revision proposal of the PSD thus endorses the market economy and makes private enterprise its motive force. The National Plan, the National Planning Council and the Regional Plan—typical of the centralized economies of the East and therefore out of step with the reality in the West—are also eliminated.

And agrarian reform obviously ceases to be a goal of farm policy. The North-South dichotomy is ended and the agricultural unity of the country achieved. A single juridical regime will prevail.

Local Government

One forceful constitutional proposal, which also needs to be analyzed, reveals the Social Democratic goal of ensuring majority status for the officers of the legislative chambers. If the candidate receiving the most votes does not obtain more than half of those cast, those necessary to provide a majority must be conferred upon him, with the balance being divided proportionally among the other candidates.

This proposal involves putting an end to the proportional system in the self-governing body elections and introducing a modified majority process which would ensure the efficiency and efficacy of the chamber executives. Modification of the constitution first and then the electoral law—this is the Social Democratic intention in this connection.

There remain many other PSD goals which should be analyzed. The proposal was drafted for 4 years, to set it apart from any situational or strictly partisan orientation. The coexistence proposal, as we have termed it, embodies within it the desire for institutional cooperation. All of this poses a challenge for Mario Soares and Cavaco Silva.

[18 Nov 87, p 2]

[Article by Jose Antonio Santos: "CDS Proposes Radical Change"]

[Text] The principle on which the CDS relies in its constitutional revision proposal calls for removing all of the ideological content from the constitutional text and radically altering the formulation of the economic and social portions. Admittedly opposed to the fundamental charter as it exists, the CDS has seen the moment for change arrive. To the idea of a constitutional coup d'etat, the centrists counterpose the concept of Jorge Miranda, who spoke of a "constitutional transition," and they support the thesis of a double revision process, where its limitations are concerned. Their opponents will have no difficulty, however, in seeing the Christian Democratic proposal as a text having little to do with the revised 1982 text, or even any semblance of amendment. For in fact what the CDS is proposing is a new constitution.

Of course, there is admitted consistency between the revision proposal now being urged (again) by the CDS. In 1976, it was the only party to vote against the constitution. In 1982, it pushed for broader scope in the revision effected then. In 1984 and 1985, it presented draft resolutions defending the assumption of constituent powers by the Assembly of the Republic, in order to proceed with early constitutional revision. Finally, now that the time and place are right for revision, it is submitting an autonomous proposal with a philosophy radically opposed to that of the text now in effect.

Andrade Pereira, the coordinator of the CDS Constitutional Revision Commission, justifies the proposals of his party on the basis of the current political situation, which is the diametrical opposite of that which existed at the time of the work of the constituent assembly.

"The concept and the practice of political democracy and the idea of the transition to socialism have come to be seen as hopelessly inconsistent with the popular will as expressed in successive elections," the centrist leader believes. Therefore, he emphasizes, "It is necessary to eliminate the ideological references from the constitution, which in its articulation resembles a party program more than the basic charter of the country."

And therefore, the socialist goals and the ideology included in the current text are not to be found in the centrist proposal. References such as "a classless society," "the transition to socialism" and other egalitarian concepts or principles of proletarian internationalism have simply disappeared.

Along with this, the economic and social portion of the constitution has been purged of excessive references to the rights and actions of the workers, and a new treatment of the right to strike has been adopted, while the lock-out prohibition has been dropped. The social market economy is given broad scope, agrarian reform has been eliminated, and indemnification for assets subject to seizure or expropriation is honored constitutionally. Also in the social sector, the constitutional prohibition on abortion and the elimination of the "universal, general and free national health service" are to be noted. As innovative points there are, for example, the inclusion of the referendum for the use the president of the republic, the possibility for groups of voting citizens to nominate candidates, suffrage for emigrants in the presidential election, and the recognition of consumer rights.

Having provided this necessarily brief introduction, let us now examine the more significant aspects of the content of the centrist proposal.

At the outset, the preamble to the constitution has been eliminated from the CDS proposal. Pointing to the need to do away with all of the ideological content of the basic charter, the Christian Democrats have chosen to delete the pertinent text, and have seen no need to offer another to replace it. At the very least, this could be viewed as a clear (or otherwise) refusal to link this fundamental charter with the historic event which after all gave rise to it—25 April.

The elimination of the ideology underlying the current text is, then, immediately made clear by the definition of the Portuguese republic adopted by the CDS. "Portugal is a sovereign republic founded on the will of the Portuguese people, the dignity of the human individual and social solidarity" replaces the current formula, which refers to the effort to achieve a "transformation into a classless society."

The fundamental and general constitutional principles contained in the revision proposed by the CDS are based, therefore, on the dignity of the human individual and the social doctrine of the church, with which, moreover, the CDS claims affiliation. Thus the right to life is recognized in a new formulation in the proposed amendment to Article 240. "Human life is inviolable, beginning at the moment of conception." The CDS has thus given the illegality of abortion constitutional status.

With regard to mass communications, the centrists obviously favor making ownership of all of the media available to private enterprise, and they have eliminated the Mass Communications Council as a body designed to guarantee the independence of the mass media owned by the state.

In connection with freedom of association, the CDS proposes the adoption of new wording for Number 4 in Article 46, specifically the elimination of the term "fascists" from the existing text. Here too the desire to put the regime deposed on 25 April at a distance seems evident.

Workers' Rights

The most polemic changes made by the CDS are perhaps those found in the portion pertaining to the rights of the workers. The principles of self-management and/or comanagement are simply excluded. The rights of the workers' commissions are viewed as deriving from their participation in the life of the enterprises, for the purpose of strengthening the spirit of solidarity therein, involving no supervisory authority.

The right to strike is specifically limited in the wording urged by the CDS. "The exercise of the right to strike must not be allowed to threaten the provision of the minimal services necessary to satisfy essential and indispensable social needs." The current text leaves the definition of the range of interests to be defended by means of strike to the workers, with "no limits to be placed on this range by the law."

There is, moreover, an innovation to be found in the centrist proposal with regard to job security. A new shade of meaning is seen in Number 2 of Article 53. "When the justification for dismissal is not based on reprehensible behavior by the worker, he is entitled to indemnification." This article is a new one and comes immediately after the preceding article, which the CDS has not changed, and which recognizes that dismissal without just cause is prohibited. In fact, the need for the inclusion of this part of Number 2 cannot be understood except to contradict the just cause prohibition.

The coordinator of the CDS Constitutional Revision Commission believes, however, that his party's proposal is designed objectively to create more jobs through the guarantee of the "right to ownership and to private economic enterprise." And, instead of guaranteeing job

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stability as opposed to mobility, Andrade Pereira emphasizes the proposal his party has set forth in the new wording introduced into line f of Article 81, which states that it falls entirely to the state "to promote solidarity and social equity, guaranteeing specifically a minimum income to those Portuguese citizens with the most limited resources."

The new article pertaining to health is somewhat broader in the goals proposed. "It falls to the state to organize a public health service which will guarantee access for the citizens to preventive, curative and rehabilitational medicine." The specific guarantee that health services will be free found in the current text has been omitted. On the other hand, the CDS proposes that the state pursue "a policy for the elderly which will avoid and deal with the isolation and social neglect of the aged."

Economic and Political Organization

With regard to economic organization, the CDS wants to eliminate the principle of irreversible nationalization, and urges "a system of cooperation based on the fundamental economic rights (the right to own property and freedom for private economic enterprise, as well as consumer rights) and social solidarity, without prejudice to acceptance of the fact that the principles of collective application of the principal means of production and democratic planning are concurrently in effect, as required by the provisions in Items f and g of Article 290." It is for this reason, Andrade Pereira commented, that the double revision thesis was proposed. In the view of the CDS, "It is the constitutional principles which should be respected, and not the specific norms which derive from them."

The revision proposed by the CDS, therefore, is perfectly possible within the existing material limits, in the opinion of Andrade Pereira. "Experience has shown that the present economic constitution is completely unrealistic," he noted. "It does not provide the citizens and the economic agents in particular with a basis for confidence, and it has served as a bottleneck blocking the development and modernization of the Portuguese economy and preventing a workable response to the challenge of European integration, which in and of itself alone, demands a strengthened private sector."

As to the organization of the political authority, the most notable changes proposed include the adoption of the referendum, the establishment of categories of organic laws, the reduction in the number of members of the Assembly of the Republic to 40, and the need for approval of the government program (Article 166) so that the executive officials will have the support of a parliamentary majority.

The semipresidential system is retained in the CDS proposal, which does not advocate any reduction in the authority presently conferred on the president of the republic. For this reason, Andrade Pereira stressed, "We

are not proposing a constructive motion precisely in order not to make the appointment of the prime minister dependent on the Assembly of the Republic."

The final portion of the CDS revision proposal includes three norms in the final and temporary provisions. They call for the establishment of a period of 1 year in which the Madeira Regional Assembly must draft and submit definitive political-administrative bylaws to the Assembly of the Republic, on pain of replacement of that body; the requirement that the Portuguese state provide indemnification for those "deprived of their assets in the Portuguese overseas territories as a result of decolonization;" and the granting of the right to indemnification to owners whose rural and urban properties, farm machinery and tools and animals have been expropriated within the context of agrarian reform.

[19 Nov 87 p 2]

[Article by Rosa Pedro De Lima: "PCP Confirms Faithfulness to 1976 Text"]

[Text] Confirmation of the basic principles of the 1976 constitution is the watchword of the communist proposal for revision. And nothing else could be expected form a party which has always defended the political and economic model endorsed after April, and which continues to believe that "Today as yesterday, the constitution corresponds to the deepest aspirations of the Portuguese people." The doubt which arises, then, has to do with the need for the PCP to submit such a proposal for revision—one which in the final analysis merely confirms what has already been set forth. But Cunhal explained. "The worrisome ideas and concepts and lack of definition revealed by the PS led the communists to participate in the process of revision," with the very precise goal of "taking up the defense of the constitution and the democratic regime."

In good conscience, the only position the PCP could adopt with regard to constitutional revision had to be confirmation of the text approved after 25 April. As early as 1982, when the introduction of some changes in the constitutional text was being discussed in the Parliament, the PCP proclaimed its status as the "only party entirely faithful to the liberating concepts of April and the democratic regime."

In a statement about the desires of the communists, Carlos Brito even warned of the "danger" that the changes approved "could lead to a profound alteration in the system of political power in effect to date, and could, if carried to their final consequences, lead to its complete subversion." In the present situation, the position of the PCP remains unchanged, and during the presentation of the communist proposal, it was again Carlos Brito who confirmed that his party "rejects any idea of reconverting or rewriting the constitution, and firmly opposes any substitution for its progressive content."

It is, then, as evidence of total faithfulness to the principles endorsed in the first constitutional text of the Portuguese democracy that the communist proposal must be interpreted.

Therefore, in contrast to the positions of the other parties, what is involved here is not the introduction of "radical novelties" in the course of the revision process, but on the contrary, the pursuit of a strategy designed above all to keep intact the models and norms about which ever greater reservations are beginning to develop.

Achieving Socialism, Excluding Macau

The PCP began by confirming overall the fundamental principles already incorporated in the constitution now in effect, as well as the preamble to that text, which sets forth the will of "the Portuguese people to pave the way for a socialist society, looking toward the building of a freer, more just and more fraternal nation."

The communist proposal maintains unchanged the assertion in the constitution that the Portuguese state "has the goal of ensuring the transition to socialism," one of its basic tasks being "the socialization of the principal means of production," as well as the elimination of the "exploitation and oppression of man by man."

In this first part of the fundamental charter, the PCP did nothing more than add to the article on national symbols the principle to the effect that "The national flag is a symbol of the sovereignty of the republic and of the independence, unity and integrity of Portugal," the use of which should be extended "to the whole of the national territory."

The only "erasure" the communist proposal calls for in the basic principles of the Portuguese state has to do with the territory of Macau, and its obligation, while it is "under Portuguese administration, to be governed by a statute suited to its special situation."

Labor Rights Confirmed

The part of the constitution having to do with basic rights and duties is, naturally, that to which the Communist Party devoted the most concern.

Rather than any innovations, once again it was a question of adding to the fundamental law principles not previously incorporated, with particular emphasis on the labor sector.

The communists even propose the inclusion in the constitution of two subjects involved in the major campaigns of struggle carried out in recent times—back wages and child labor.

Thus the PCP proposal would include in the constitution a "civil and criminal guarantee of prompt payment of the compensation owed the workers, and their adequate protection in the event of delay." Similarly, the communists attributed to the state the right to "promote the measures necessary for the elimination of the economic, social and cultural conditions which lead to the illegal use of the labor of minors, so as to guarantee that all can complete their compulsory schooling."

Again in the labor sector, the PCP has proposed that "labor time be gradually reduced," while at the same time broadening the authority of the workers' commissions, giving them the right to draft "prior opinions" in connection with mass dismissals and to intervene "in the processes of disciplining workers and reducing staff."

In the realm of social rights, the communist proposal calls for the updating of pensions and retirement pay simultaneously with and in proportion to the changes in the national minimum wage, and it urges the state to establish a "rental system" which would subsidize "those who because of inadequate income cannot pay rent."

Finally, and again in the portion devoted to rights and duties, the communists retained unchanged two principles which have been the targets of some polemic discussion. They are the constitutional prohibition on the private ownership of television facilities and the endorsement of "the socialization of medicine and the medical-pharmaceutical sectors" as a priority task of the state.

Economic and Political Models Unchanged

A reading of the economic section of the communist constitutional proposal produces a clear sensation of "deja vu."

The PCP maintained the principles to the effect that "all nationalization processes carried out after 25 April represent irreversible conquests of the workers' class," and that the farm policy has as its main purpose "the gradual transfer of the land and the means of production directly used in exploiting it to those who work the land."

A comparable situation is seen with regard to the model for the organization of the political authority, in that the changes proposed by the Communist Party in no way alter the balance of forces existing among the president of the republic, the Parliament and the cabinet.

In connection with the status and the authority of the chief of state, the changes introduced were designed to expand the presidential authority solely in the realm of foreign relations, "in following up negotiations and the adaptation of any international agreements," and the authority to set forth "the main guidelines for Portugal on the international level."

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The communist proposal further confirms the financial autonomy of the Presidency of the Republic, specifically where the administration of its own services and support are concerned.

In connection with the functioning of the executive branch, the PCP has proposed that the members of the cabinet be prevented from engaging in any other public or private activity, and that they be required to be available to "provide explanations if so requested by any commission of the Assembly of the Republic."

In fact, where the sovereign bodies are concerned, the communist proposal places particular emphasis on the relationship between the Parliament and the cabinet, making the presence of the prime minister in the Assembly of the Republic compulsory "whenever the cabinet as such is at issue."

In this connection, the communists further propose that interpellation by parliamentary groups justify requests for "motions to evaluate government positions or actions on the issues under discussion," and that a simple majority of the deputies suffice to bring down the cabinet.

[20 Nov 87 p 2]

[Article by Carlos Albino: "PRD Puts the Referendum on the Scale"]

[Text] In its concern with distributing the powers among the sovereign bodies, consistent with the balance set forth as a constitutional goal, the PRD has distributed the weight of this respectable political form, the referendum, between the president of the republic and the Parliament. But while attributing greater importance to the presidential initiative, the PRD conjured away the threat of a plebiscite, doubtless remembering the polemic which developed in 1979 concerning "plebiscite-oriented presidentialism." The referendum mechanism, in the view of the PRD, whether put in motion exclusively by Belem or whether presented to the voters with the surcharge of parliamentary arguments, should such exist, must culminate in deliberative weight.

In proposing the introduction of the referendum in the fundamental charter, the renewal faction did so with the awareness that caution is advised due to the very lack of experience in Portugal in the use of this political form of direct democracy.

In six new articles, the PRD has attempted to contribute to a "rebalancing of powers." The political referendum, the renewal faction believes, should result from an initiative on the part of the Assembly of the Republic (a majority of two thirds of the deputies "present," provided this majority exceeds that of the deputies actually

serving). It will then fall to the president of the republic to submit a future political decision of basic importance to a referendum. The results of the referendum would be binding.

In the renewal faction proposal, the president of the republic would have the authority, under special circumstances, to initiate a legislative referendum on parliamentary laws or cabinet decrees which have been drafted on the basis of legislative authority but which should have been promulgated by the president as decree laws. Here again, the fate of the documents would depend on the results of a consultation of the electorate, with the principle according to which only a new referendum could cancel the text previously vetoed or approved prevailing.

However, the PRD excludes specific areas from this form of consultation, in particular executory measures which might involve a "conflict with the effective functioning, interpretation or integration and fulfillment of constitutional norms," or with the relations of the state with the autonomous regions or local authorities.

It will be noted, moreover, that the PRD proposes the elimination of the present constitutional provision which allows the local self-governing bodies to initiate direct consultations with the citizens registered in their respective areas.

More Presidential Authority

The renewal faction document seeks, at the outset, to strengthen the capacity of the president of the republic to act, excluding for the purpose the hypothesis of a constructive motion, which the PRD said would be the equivalent of limiting presidential initiative.

Apart from recourse to a legislative referendum, the president of the republic, although he exercises the traditional functions of the commander in chief of the Armed Forces, should "participate in drafting national defense policy," and apart from his also traditional authority to appoint ambassadors (on the recommendation of the cabinet), he should participate "in defining foreign policy."

On the other hand, the approval of treaties (currently the task of the Parliament) should, according to the PRD, involve ratification by the president of the republic.

As to presidential elections, the PRD also suggests changes in the schedule. The current constitutional text provides that the president will be elected between 6 and 30 days prior to the end of the presidential mandate, but the PRD would move up the schedule for the race for the Belem post to 9 months prior to the end of the term.

Another crucial point for the PRD has to do with the authority of the president of the republic in the event of the resignation of the cabinet. In the view of the renewal

faction, the resignation of the prime minister in itself means that the cabinet has fallen (in the text in effect, this situation does not exist until the president has accepted the resignation of the prime minister), so that according to the PRD proposal, the holder of the Belem post would no longer have the authority to "dismiss the cabinet" but "to dismiss the prime minister."

However, the PRD would eliminate the current provision according to which "The president can only dismiss the cabinet when this becomes necessary to guarantee the regular functioning of the democratic institutions, after hearing the recommendation of the Council of State."

Moreover, according to the PRD, apart from his present capacity to appoint five members to the Council of State and two voting members to the Higher Magistrates' Council, the president should have the authority to appoint three Constitutional Court judges and two voting members of the Higher National Defense Council.

The Constitutional Court (made up of 10 judges appointed by the Parliament and three others jointly chosen by them), should have the weight balanced in a different way, according to the PRD. There should be three individuals appointed by Belem and six appointed by the Assembly, with the Higher Magistrates' Council choosing the other four.

As to the Higher National Defense Council, the PRD suggests expansion to include two deputies and two ministers of the republic and presidents of the regional governments of the Azores and Madeira.

Nonparty Access to Parliament

On the subject of the general principles of electoral law, the PRD proposes that in the direct elections to choose the heads of the collegiate bodies, parties or coalitions and also "groups of voting citizens" be qualified to nominate candidates. The renewal faction wants the fundamental charter to endorse the principle according to which "Membership in a party is not a requirement for candidacy."

With this idea, the PRD wants to put an end to the compulsory involvement of a party in access to the deputies' duties.

As a shield for the powers of the Parliament, the PRD proposes that the basic charter provide for a period of 30 days in which the cabinet can respond to written questions from the deputies, and that the latter be allowed to use the premises of the state or collective public bodies for making contact with the voters.

Under the present constitution, the Assembly of the Republic has the right to authorize the cabinet to contract for and grant loans and to engage in other credit operations, provided the floating debt is not involved, for which the pertinent general conditions are defined.

The PRD wants this authority to extend as well to the autonomous funds and departments of the social security sector and public sector enterprises if more than half of their current income comes from the budget.

On the other hand, the PRD proposes that the basic charter reserve solely for the legislature the authority to establish the organization and jurisdiction of the courts and the Ministry of Internal Administration, as well as the status of the respective judges.

The Parliament should further enjoy the authority to establish administrative regions, and the PRD would eliminate the participation of the municipal assemblies in this process.

The various items proposed by the PRD in this sector (legislative authority) almost exhaust the letters of the alphabet. In the current text, the items extend through the letter n, while the PRD proposals extend to the letter v, including such subjects as the organization and authority of the Higher Audio-Visual Authority (apart from the Mass Communications Council); the general budget system for the state, autonomous regions and self-governing bodies; the composition of the National Planning Council; foundations of the social security and national health service systems; the juridical status of enterprises in the public sector, including the regulations governing contributions of private capital and the transfer of assets; the transfer of enterprises between ownership sectors, and the criteria and methods for indemnification for nationalization; definition of the strategic sectors of the economy, in which the activity of private enterprises is forbidden or limited; the foundations of agrarian reform, including the criteria for establishing the maximal limits for property ownership and private farm exploitation of the land, for attribution of the right of reserve and for indemnification.

The PRD proposes, moreover, that the period scheduled for parliamentary sessions (currently 15 October-15 June) be extended to 31 July.

One innovation involves the proposal that Parliament put on the daily agenda any matter raised in a petition signed by 10,000 voters.

Media Changes

The PRD proposes that journalists participate in the management of the media organizations in which they work through the editorial councils.

With a complete rewrite of the current provisions pertaining to the mass media, the PRD proposes that the radio-television distribution network be state owned, with authority to operate being granted to private bodies on a temporary concession basis. In order to guarantee "the independence, quality and pluralism" of radio and television broadcasting stations which do not belong to the state, the PRD suggests the establishment of a Higher

Audio-Visual Authority, which would form a background, together with the Social Communications Council, with the responsibility of dealing with the bodies directly or indirectly belonging to the state.

[21 Nov 87 p 2]

[Article by Fernando Diogo: "PS Proposal—Between the Present and the Future"]

[Text] The PS constitutional revision proposal may not be the "most complete and balanced" of those submitted to the Parliament, but it is certainly the most revealing. It shows a party traumatized by the 19 June results, by the internal struggles which continue to impoverish it, and above all, by its profound concerns about the future. The possible merits of this innovative way of approaching politics come into conflict with its own limitations, which are the result of the transfer of the inconveniences of the temporary situation to a text with a certain perennial aspect.

And so it is that Vitor Constancio and his peers give evidence, throughout a substantial complex of corrections to the fundamental charter in effect, of a certain iron determination to block all of the access routes for any possible efforts by the PSD to "subvert the balance of the democratic system."

Therefore the spinal column of the socialist project is the famous "paraconstitutional laws," a nucleus of documents which are "structural," or in other words, establish the boundaries of the Portuguese political system. There are eight of these "paraconstitutional" documents, ranging in subject from the electoral laws to the system for drafting and organizing the budgets of the state, autonomous regions and self-governing bodies. Up to this point, there is nothing substantially new, unless it is the autonomy given to a legislative complex which already was an integral part of the sphere of legislative competence absolutely reserved for the Parliament, with the sphere of cabinet action being kept intact.

This was and, it is believed, will be the central argument of the PS in response to the "ill humor" of the Social Democrats, expressed in the statement by Fernando Nogueira to the effect that the socialists want to transform the electoral defeat in the legislative elections into a victory in the revision of the constitution. This is an argument some might call sophistic, since the approach to the problem must necessarily be diverse.

What the Social Democrats are criticizing is not the alleged interference in the cabinet sphere of action, but the limitation on the powers of the majority—in the final analysis, their powers. This is because the "paraconstitutional" laws would have to be approved, according to the PS proposal, by a two-thirds majority, which puts the socialist parliamentary group back at the center of political life.

Apart from the conflicting positions, the creation of the "paraconstitutional" laws raises an additional problem, one of a technical nature. This was referred to, moreover, by two students in a recent discussion in the Faculty of Law, with reference to the list of measures chosen. One of the students analyzed the problem as follows: "Why do we have this list of strengthened laws, and not some other, which would include the Basic Laws for the Educational System or regionalization, for example?" Vitor Constancio explained that the choice had its source in the architecture of the political system, from which the two subjects mentioned are naturally excluded. The secretary general of the PS admitted, however, that even on the basis of the criterion adopted, other solutions could be found, even considering the inclusion of the National Defense Law as susceptible to some doubts. A laudable position, this keeping the doors open for dialogue and consensus, although it is likely to create future suspicions that expedient tactics have been used in view of the current balance of forces. The fact is that the question asked by that student reached deeper, demanding a clear response as to the concept of society advocated by the PS, because as Constancio reiterated, the constitution is far from being a neutral text. In denying paraconstitutional dignity to the model which will train future generations, the socialist leader committed himself, even if he did not do so consciously. Similarly, by including the status of the media in this nucleus, the socialist legislator revealed a clear choice of situational solutions and an obvious fear of future slippage of an authoritarian nature.

The worries of the PS reveal themselves at every step, because this party has included provisions for a state of siege and a state of emergency in the strengthened laws in its proposal (requiring two-thirds approval). And as if this were not enough, new form was given to the articles referring to the suspension of the exercise of rights, in which the purging of the text almost does away with the law. A similar concern is reflected in the chapter devoted to freedom of the press and the mass media, in which there appears to be a response, point by point, to the efforts of the government to return the sector to private hands. In Points 6 and 7 of the article, the socialists seek to guarantee that newspapers will be kept in the state business sector, and to prevent, through the constitution, a revision of the Radio Law by the executive branch. On the other hand, in Article 40, the PS introduces the concept of the right of opposition parties to space in the written press belonging to the public sector, "based on their representative nature, size, and how long they have existed, in all respects equal to the space granted to the government and consistent with the essential content of the law, as well as the right of rebuttal in these same organs to the political statements of the government." In one fell swoop, the PS has circumvented the principles set forth concerning the freedom of the press and independence, in particular with the prohibition on centralization, and it has dealt a "hatchet blow" to journalistic judgment by giving priority to objective criteria to be established by law. Unless it is a question of the strict

exercise of the right of response to official statements by the government—and in such a case, the wording would seem to be rather unfortunate.

Change and Stability

In a general way, the socialist concerns about the future are revealed in the general purpose of providing the Parliament with added supervisory tools with regard to the activities of the executive branch, in particular through the compulsory establishment of investigation commissions, if requested by a minimum of 40 deputies, and up to the limit of two for each parliamentarian, and the requirement that administrative officials or employees of the state business sector testify before these commissions.

The strengthening of the parliamentary component, which the PS admits to desiring, would not, some of its officials have stated, damage the balance which exists at present, because it would not be achieved to the detriment of the authority attributed to the other sovereign bodies.

The constitutionalists would prefer, moreover, to speak of perfecting the basic text, even when faced with the delicate question of the new constructive censure motion phenomenon. This innovation, which the PS has publicized widely, will in the view of its authors ensure stability in government action by placing greater responsibility on the parties which make use of it. This goal would be achieved by requiring that censure of the cabinet would entail the nomination of a candidate for the prime minister's post and a government program, which would be voted on jointly with the text of the motion.

Apart from marginal concerns, such as curiosity about what prime minister the PCP would propose, for example, the political implications of a solution like this can only be analyzed when approached in the light of the presidential authority. The question has been raised on a number of occasions, with a view to establishing to what point the expedient proposed by the PS would bind the president of the republic to the decisions made in Sao Bento (or at least hinder him). For as long as the present constitutional text prevails, the chief of state has a broad margin in which to maneuver in times of crisis in deciding on a future prime minister. But if the PS proposal wins out, the president would no longer have as a background just the electoral results (which is only a question of basic common sense), but also a candidate to head the cabinet given legitimacy by an Assembly of the Republic majority. The president would then have as a final resource the choice of dissolving the Parliament, but who would want to run such a risk when the mission specifically entrusted to him is to serve as the arbitrating power in the system?

The new wording of Article 197 seems more like a delaying act of contrition, and simultaneously a punishment, than the ideal formula for avoiding a repetition of the process which in the end led to the legislative events of 19 June.

The socialist leaders most knowledgeable about the constitutional revision have sought to avoid this question, choosing to deny any reduction in the presidential authority. They even try to attribute to their proposal a desire to strengthen the arbitrational powers of the chief of state, reflected in the absolute veto right granted with regard to the referendum. This concept, which also made its debut in the socialist proposal for constitutional reorganization, is intended in the final analysis to reduce the authority of both the executive and legislative branches in decisions in delicate areas, in particular those affecting matters of conscience. Although the scope of the referendum is very broad, with only budget matters, the paraconstitutional laws and the absolute reservation of authority to the Parliament being excluded, it is admitted that recourse to this process has had very limited use in these areas.

In this connection, the Assembly of the Republic would have to approve the convocation of a referendum by a majority of two thirds of the deputies actively serving, which according to the socialist leaders, is intended to prevent issues to be submitted to the people from being 'manipulated" in order to obtain the results which would benefit the proponents of the referendum. In order to block possible criticism of the parliamentary inclination of the regime, the PS modified the text by attributing the absolute veto to the president. However, if Vitor Constancio is to be believed, the Socialist Party foresees Spartan use of this authority—a euphemism which means that only in cases of an obvious tendency toward political suicide would it be used. This is not a mere sterile exercise of the imagination, but something which the secretary general himself stated with the greatest clarity during a recent talk at the Faculty of Law. In explaining to the audience that the convocation of a referendum on subjects such as abortion or regionalization would be perfectly acceptable, Constancio concluded with the statement that "One cannot very well see how the president could reject a proposal formulated by two thirds of the deputies elected by the Portuguese people, unless it might perhaps be to obtain some changes in the wording of the questions."

He meant by this statement to indicate that the PS is only concerned about the possibility that when the constitutional revision is under way, outrages will prevail and revenge will be sought. There will be no such thing, since the socialist proposal, matured over a long time in the most representative organs of the party, contains the daring stimulant of innovation, and solutions in various delicate areas and sectors of democratic organization which represent as many responses to the inadequacies found in the present text. Also add to this the option for stability in the basic guidelines of the

constitution, reflected in the maintenance for the next 5 years of the material limits on revision, indicative of a commitment to the medium term, although this is contradicted here and there by certain special solutions, some critics say. And this has perhaps become the pretext most often invoked by the most influential partners in the process of revision, to the point of possibly putting the PS in a difficult position for imposing its proposals. The almost aggressive character clearly visible in this proposal, specifically the notable statement that "Prevention is better than cure," may come to be a decisive factor in a future block to the revision, with obvious disadvantages for the PS.

[23 Nov 67 p 2]

[Article by Cesar Camacho: "ID and 'Greens' Make No Change in Economic Model"]

[Text] In the view of both the Democratic Intervention (ID) civic association and the party of The Greens, constitutional revision is neither a need nor a requirement today. The texts of the preambles in the proposals both have submitted to the Assembly make this interpretation clear, and the ID has stressed that the revision process is "a right but not a compulsory undertaking for the Parliament." And The Greens have emphasized the "liberating value, the clarity and the technical rigor of the text" of the present constitution.

For their sponsors, the proposals submitted to the Assembly represent a contribution to the improvement of the current text, while at the same time the authority to revise the constitution "should not be confused, in the view of the ID, with the drafting of a new constitutional text," since this assembly "is not a constituent body." It is a fact that neither of the two proposals changes anything in the economic section.

The ID parliamentary group placed particular stress in its revision proposal on the rights and guarantees of the citizens, seeking specifically the establishment of a new public protection body, the Consumers' Advocate, while at the same time urging constitutional incorporation of the "duties of cooperation and reporting" in connection with the Justice Advocate..

In the realm of guarantees, the ID wants the constitutional text to define the position of impartial judge in connection with criminal trials, so as to prevent the magistrates who function in the investigation or indictment phases from pronouncing sentence.

The ID also wants journalists to be provided with constitutional protection for their professional confidences. The ID proposes "a clear guarantee of the right of secrecy" as an essential component in freedom of the press and journalist creativity. At the same time, it proposes that the constitution provide for a Press Council, giving it legal authority to "promote the safeguarding

of freedom of expression..., independence and pluralism, accuracy and objectivity with regard to the mass media organs which do not belong to public bodies or are not under their jurisdiction."

Minorities and the Environment

The proposal submitted by The Greens'parliamentary group comes very close to the principles defended by their peers in the ID, specifically with regard to freedoms and guarantees and in areas such as the organization of the political authority, personal rights and deprivation of individual freedom.

In the realm of personal rights, The Greens add recognition of "the free expression of all differences" and urge the safeguarding and legal protection of minorities, with a constitutional provision for the "elimination of all forms of discrimination."

While the ID proposes that a Consumers' Advocate body be established, The Greens propose the appointment of an Ecological Advocate, to whom the citizens could submit complaints concerning anyone "violating the environmental balance," with the understanding that this public agent would function "without prejudice to the authority of the Justice Advocate."

Concerning the guarantees to be provided prisoners, the ecologists entrust to the state the duty of guaranteeing "conditions protecting the human dignity and physical safety of prisoners," as well as establishing the conditions necessary for relations with spouses and other family members. They further propose regulations in connection with penalties and their execution designed to give priority to social rehabilitation.

The ID, for its part, insists in this sector on the provision of guarantees to all citizens who are deprived of their freedom, so that they will be able to inform family members or third parties of their situation immediately, instead of leaving this action this dependent on a judicial decision.

Higher Anticrime Authority

In the changes proposed by the ID, one might also emphasize the proposal that the constitution endorse the Higher Anticrime Authority, which has been mentioned widely in the media as doomed to extinction.

The ID says that this body has yielded highly positive results in overseeing the morality of public administrative actions. The parliamentary group proposes that the authority of this body be broadened to cover the holders of all public posts, an aspect likely to provoke objections.

The ID also wants to change the composition of the Council of State, with a proposal which is not likely to be welcomed by the majority. It is a question of replacing the presidents of the Autonomous Regions of the Azores and Madeira in this body with the respective presidents of the Regional Assemblies.

With regard to the rights of the citizens in connection with taxation, both parliamentary groups would expand the mechanisms for the protection of taxpayers, specifically requiring greater speed in the refunding of overpayments, and support, information and defense of taxpayers' rights in tax proceedings.

In the consumer sector, The Greens believe that advertising should be regulated by law, with a prohibition on secret, indirect or painful advertising or that which abusively exploits children or promotes sexual discrimination.

In the court organization sector, The Greens urge the elimination of the military courts, while the ID makes no mention of this point, but urges a less general wording with regard to the Higher National Defense Council and the Armed Forces. The ID group wants the constitution to state at the outset that the president of the republic has the authority to appoint three voting members of the Higher National Defense Council, while the Assembly of the Republic would be authorized to choose the other five, based on the principle of proportional representation.

In connection with the Armed Forces, the ID adds a new provision, prohibiting any political activity on the part of military commanders or their subordinates. At the same time, the proposal defines the scope of the three current branches of the Armed Forces—the Army, Navy and Air Force, since this article fails to mention that the "Armed Forces are made up exclusively of Portuguese citizens, and their organization is based on compulsory military service."

Nuclear Option Rejected

Both proposals reject the nuclear option in military matters, and would prevent the location, transit or operation of nuclear-equipped units on our territory. The Greens further add, in the international relations sector, a formal statement of the Portuguese position on defense systems, urging radical opposition to the militarization of space.

It is also The Greens' proposal which refers to the energy policy, urging mechanisms to prevent a trend toward nuclear power, and a constitutional provision that "reorganization of the energy policy is a priority task of the state."

Presidential Authority

The ID proposes an increase in the authority of the president of the republic. As to the power to dismiss the cabinet and the prime minister, the proposal would require that the opinion of the Council of State be heard. The authority to be granted to the president would include the right to appoint five members of the Council of State, three Constitutional Court judges, two voting members of the Higher Magistrates' Council and five voting members of the Higher Defense Council.

The point referring to the authority to appoint and dismiss military commanders might become a polemic issue. While the present text gives the president of the republic authority to appoint and dismiss military commanders on the recommendation of the cabinet, the ID proposal would leave this to the initiative of the president alone.

The Greens' proposal does not deal with these aspects, except where the military courts are concerned. With regard to the establishment of regions, both proposals would make participation obligatory for the municipal assemblies throughout the whole of the process, with the reference to "the possible differences in their own law as to the system applicable to each" being dropped.

Treatment of Madeira

In the final provisions, the ID devote special attention to the Statutes of the Madeira Autonomous Region.

The current constitutional text provides that the provisional statutes of the regions will remain in effect until the permanent statutes are promulgated.

The postponement sine die of the drafting of these documents is not regarded by the ID as acceptable. It therefore urges the establishment of clear deadlines, and suggests a second constitutional provision. "If within the period of 1 year from the date the revised constitution law went into effect, the Madeira Assembly has not made use of the authority attributed to it in this connection, any deputy in the Assembly of the Republic may take the corresponding legislative initiative."

Status of the Family

The current constitutional provisions do not take into account, with respect to family status, the situations which are developing outside the legal institution of marriage.

In The Greens' proposal, this aspect is dealt with. What is sought is the establishment of a right by analogy, in that identical protection would be offered to "those who live in a situation analogous to that of spouses." The proposal recommends that this equality of treatment be extended to social security and the rights and guarantees pertaining to urban rentals.

Again in the realm of family concerns, The Greens' proposal suggests a constitutional prohibition on the hiring of minors of school age.

With regard to environmental and quality of life issues, the ecologists propose, among other precepts, that the law "guarantee the conditions necessary for the practice of naturalism."

In the child protection sector, The Greens' document adds a "prohibition on the manufacture and marketing of war toys and others which by their nature may pose a threat to physical safety."

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Absence of PS, Other Parties' Opposition Termed 'Strange'

35420031a Lisbon DIARIO DE NOTICIAS in Portuguese 10 Dec 87 p 8

[Editorial article: "Hibernation"]

[Text] The Socialist Party was never comfortable in the opposition but the conjunction of the two deciding factors for its near future—the absence of the leader of always and the political shock that the 16 July elections turned out to be-made the crossover to which it is condemned even more complex and sensitive. The sequence of events in the internal life of the PS since election day itself, with the resignation of two members of the national secretariat, Manuel Alegre and Sottomayor Cardia, does not leave room for circumlocution as to the critical nature of the situation of the largest opposition party. First, it was the appearance of the "open letter" contesting the leadership and the strategy of Vitor Constancio; then the flight of Socialist votes to Alvaro Cunhal in the election for the Council of State; then the non-election of some PS deputies to the Parliamentary Assembly of the Council of Europe—assumed critics of the current leadership, or regarded as such; following this episode, the early resignation of Torres Couto from the party secretariat.

The agreement established with Jaime Gama, minority leader of the last congress was not enough for Vitor Constancio to neutralize the movements that were felt within the PS even before the elections. The truth is that the events subsequent to the publication of the "open letter" revealed new and diverse centers of tension or declared contention that confirmed the correctness of the decision of the Socialist leader in unleashing the process of advancing the national congress. That, in fact, is the only way that the PS can recover the initiative and in due time remake the image of a weak party that it projects today.

While it is true that even before the appearance of the only known organized contending group—namely, the "open letter"—the PS leadership already showed well-known difficulty in reacting to the situation into which it

was plunged by the elections, subsequent to that, in large measure, the Socialists began to live at the mercy of the developments of the internal crisis. Besides the presentation of the constitutional revision bill, imposed by the schedule strictly established by law following receipt of the first bill on the Parliament table, there were practically no presentations of substance in the Assembly of the Republic, or outside of it.

Meanwhile, throughout this period, there was no lack of reasons that would justify a more active presence on the political scene of the party that lays claim to being the alternative of power. Matters such as the rise and fall of the stock market, which the PS raised only after the prime minister had, problems such as those raised by the proposals on the law of partial reprivatization of some public enterprises passed practically unmentioned. When one observes that even the rise of prices of essential goods, modest though it may be, does not suggest a public statement by the major opposition party, the least that can be said is that the government is lucky—even in the opposition with which it is presented.

As a matter of fact, it is not only the Socialist Party that stands out by the lack of action or simple response to the initiatives of the Executive, but all the political forces of the opposition, including the PCP, which has shown a strange lethargy in the 5 months that have passed since the undisguised election rebuff it also suffered. It is true that we are only in the initial phase of a legislature that for the first time will complete a full term. Nevertheless, the hibernation into which the opposition parties have gone until now, or the lack of arguments with which they are perhaps struggling, should not be viewed as a factor of rejoicing for society—nor even for the government and the majority that supports it.

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PS' Joao Soares: No Alliance, but Dialogue With PCP

35420034 Lisbon EXPRESSO in Portuguese 12 Dec 87 p 2

[Interview with Teresa de Sousa]

[Text] Thirty-eight years old, his political career still short (for now) because he did not begin until his father's "reign" over the PS was finished, Joao Soares is—though he may not want to be—the most important symbol of a socialist "minority" that has ahead of it the task of facing, in the VII PS Congress, the Constancio-Gama Team.

The President's son, who considers the idea of succeeding his father in the party leadership "ridiculous," and who denies having inherited the political qualities of Mario Soares, nevertheless reveals the political style that carries the "trademark" of the long-time Socialist Party leader.

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[Question] In the resolution in Congres of which you are the sponsor, some accusations are made against the current PS leadership. I ask you to clarify three of these: you say that the current PS leaderhsip is becoming more leftist-oriented, that it has turned away from the party's past, and that it is at fault for having placed the Right in power for so long in Portugal. I would like you to provide me some concrete examples of these accusations.

[Answer] Let us begin with the Right being in power. There is no doubt that having voted for the motion of censure under the conditions which it did, and having precipitated elections under the conditions in which they were precipitated, had as a consequence Cavaco Silva remaining in power for the next 4 years.

[Question] But that is not the same as the Right remaining in power forever. That is a normal legislative period.

[Answer] Yes, but not with respect to former Portuguese constitutional practice.

[Question] And the increasingly leftist orientation?

[Answer] It is true that there was a relatively left-wing dialogue, namely during the last campaign.

[Question] For example?

[Answer] The inclusion of Pintasilgo on the PS ballot.

[Question] Do you think that changed the party image?

[Answer] I think that it very much changed it, and those who came in one door left through another.

[Question] But on the other hand, the PS used the image of Mario Soares, who is not left-wing...

[Answer] I don't know if they did or not. That brings up another question you asked me, on relations with the past. The "slogans" that were used—"a new team," "a new party," clearly signified a break with the past.

[Question] But since the departure of Dr Mario Soares, have there been breaks with the past which translated into political alienation or strengthenings?

[Answer] There have been...

[Question] And lack of internal democratization.

[Answer] I would not say that. But there is clear evidence that certain people were driven away. The case of Almeida Santos, of Antonio Campos.

[Question] Another criticism is the fact that the current leadership supports bipolarization. What is the alternative to bipolarization?

[Answer] I don't know if they support bipolarization. I do know that Vitor Constancio, in the interviews he gave in the pre-Congress phase and immediately following the VI Congress, supported bipolarization, but later he seemed to change his mind.

[Question] But why are you not in favor of bipolarization?

[Answer] I personally am in favor of bipolarization.

[Question] And do you still support an alliance with the communists?

[Answer] I was never in favor of an alliance with the communists.

[Question] In an interview...

[Answer] What I stated was that it was necessary to have different relations with the communists, that it was necessary to have not only an institutional dialogue with the communists but to maintain a dialogue with them at all levels. Because that began to be more favorable to the PS than to the PCP.

[Question] If the current PS leadership did that would you not consider it a form of increasingly leftist orientation.

[Answer] No! Not at all. I think it desirable that there be a dialogue between the forces of the Left.

[Question] But are you aware that they accuse you of supporting that dialogue with the communists because you will need them to win the Lisbon City Council?

[Answer] (laughing) I never heard that.

[Question] But what they say in the newspapers...

[Answer] I am not running for the Lisbon City Council.

[Question] But rumor has it that you would like to...

[Answer] Then...let rumor have it.

[Question] Wouldn't you like to?

[Answer] It is irrelevant whether I would like to or not. It is a question to be posed at the proper moment and in the proper bodies of the Socialist Party.

[Question] But you believed it to be an interesting and adequate challenge?

[Answer] I do not like the word adequate. But it is an assignment that would be politically extremely interesting.

POLITICAL

[Question] Returning to the Congress, the minority has already agreed to participate...

[Answer] Which minority are you taking about? Are you including Jaime Gama in the majority?

[Question] If he is a member of the National Secretariat of the PS, then he has to be in the majority, right?

[Answer] But he probably has not departed from his own points of view.

[Question] I refer to the minority that resolved to "assume the past, prepare for the future." Are they willing to participate in the Congress?

[Answer] In principle yes, but there has been no definite decision taken on the matter. The decision will be taken when the delegates are elected, at the end of January.

[Question] And what are they waiting for?

[Answer] For there to be a minimum of internal democratization to see if we will or will not participate.

[Question] They will oppose the alliance between Dr Vitor Constancio and Dr Jaime Gama—a very strong alliance. Is that likely to worry the minority?

[Answer] No. Because we support a long-term strategy with respect to the party. We do not oppose persons and there is general respect for both Vitor Constancio and Jaime Gama.

[Question] But the alliance is strongly criticized for its own existence and for the "Open Letter."

[Answer] Yes. But only in terms of the manner in which this was done. And of the methodology that has been followed since the Congress. That is, Jaime Gama had only one meeting with his supporters during that entire period.

[Question] And he allied himself with Vitor Constancio immediately after...

[Answer] Yes and without asking anyone, not one of those who had supported him.

[Question] Recently you went to get the two Swedish prisoners being held by UNITA. Don't you think you were only invited because your name is Joao Soares?

[Answer] I sincerely believe that is not the case, but I am not in a position to answer that question. Only the Swedes and UNITA leaders would be able to respond.

[Question] It appears evident that their insistence that you go had something to do with your name...

[Answer] I concede that, but it is a secondary issue. I had already been invited and I think that I would have been even had my name not been Soares.

[Question] In your normal political life do you not think it a burden to be the son of such a father?

[Answer] It becomes a burden. It has some advantages and some inconveniences. The inconveniences cancel out the advantages.

[Question] But the minority uses your name. They try to say: "We don't have the father, but we do have the son."

[Answer] That is not true. That is unjust and even if they did, I would immediately put a stop to it.

[Question] Do you believe that the succession of Dr Mario Soares is not yet resolved?

[Answer] It has nothing to do with a process of succession, and I think it desirable that things evolve in the direction of a greater awareness of the problems of society.

[Question] In the next Congress, the winner will again be Vitor Constancio...

[Answer] It is very probable...

[Question] Will that still be a provisional solution for the party?

[Answer] The more the schedules and normal activities of the party are disrespected, the more it is a provisional solution. When the National Congress is scheduled before the congresses of the federations, that causes the solution found in the next Congress to be weak in political terms.

[Question] Has it already crossed your mind to lead the PS?

[Answer] Not at all!

[Question] But you believe that you inherited from your father some of those political qualities that everyone recognizes in Dr Mario Soares?

[Answer] No, Not at all! I have a sense of the ridiculous and I have a sense of my own limitations.

13026/7310

PCP Reportedly Losing 'Extremist' Members 35420031b Lisbon O JORNAL in Portuguese 11 Dec 87 p 11

[Article by Francisco Vale]

[Text] According to information gathered in circles close to the PCP, two leaders of that party have left the Central Commitee: Jose Pedro Soares and Horacio Rufino. However, O JORNAL has been unable to confirm that report with the Information and Propaganda Section of the PCP. The person in charge of that department, Vitor Dias, limited himself to saying that it is "a matter about which the PCP feels it should not comment."

Although they are not members of the group of main leaders of the PCP, both Jose Pedro Soares and Horacio Rufino are almost "historic" figures of that party, having various common aspects in their party careers. On the other hand, they are still young leaders who have maintained a lengthy contact with the youngest member of their party: both participated in the Working Youth Movement (MJT) and later in the Union of Communist Youth which, as a result of a merger with the Union of Communist Students (UEC) gave rise to the Portuguese Communist Youth (JCP).

Jose Pedro Soares, 37 years of age, is a native of Vila Franca de Xira who began working at 13 years of age, becoming a typographer. A member of the PCP since 1969, he was imprisoned in 1971 and subjected to lengthy sleep torture. He was released in April 1974. After having been one of the leaders of the Working Youth, he was elected a member of the Central Committee and the Executive of the UJC, and later an alternate member of the Central Committee. He was a deputy to the Constituent Assembly where, in several speeches, he defended the rights of young workers. In recent years, he had become responsible for monitoring the work of his party in Beiras.

Horacio Rufino, 37 years of age, joined the PCP in 1969 and has been a party official since 1970. He belonged to the Executive Committee and the Central Committee of the MJT and UJC. In May 1974, he became an alternate member of the Central Cimmittee and was elected a full member at the VIII Congress. In recent years, he worked in the Algarve, particularly in the Portimao region. After his resignation from the Central Committee, he remained as a member of the PCP.

Meaningful Resignations?

These resignations confirm the way the PCP apparatus adapts to the political changes determined by the recent election reverses and the reforms underway in the economic and power structures of the USSR, and which theoretically extend to a limited revision of the official historiography.

The departure of dozens of officials over the past year reveals by its makeup—beyond the normal movement in a party apparatus subjected in recent years to constant mobilization and erosion—that the supporters of extreme positions are being removed.

At the present time, those who tend to leave the party apparatus are the members who could strive for greater closeness to the current policy of the USSR, and thus for a reevaluation of the past political line of the PCP, as well as those who want everything to remain unchanged, hoping that "perestroika" will end up being mired in the inertia of the party and state apparatus of the USSR.

Avoid Debating the Past

The leadership of Alvaro Cunhal certainly seeks to avoid a reevaluation of the past, but it also does not want to go down in history as the terminal phase of a political line subject to unavoidable pressures for change. For that reason, it has begun to try a cautious rapprochement, in terms of language, to the political changes underway in the USSR, which naturally would have to be begun before the congress scheduled for the first quarter of 1988. Only thus will it be possible "to smooth over the rough edges" prior to the work of the congress, which in the PCP was never a favored moment for debate but the legitimizing forum for the political line proposed to the members in the interim.

As happens with other Communist parties in Western Europe, subject to stagnation or even an electoral ebb, the PCP has as an additional reason for change the desire to benefit from the international improvement of the image of Gorbachev's USSR among the intellectuals (who have drawn away from the Communist parties, particularly in France, Spain, and Italy).

Some recent statements by Alvaro Cunhal appear to confirm that perspective by the emphasis placed on the diversity of roads and models for building socialism and the clearly positive references to the reform process initiated in the USSR.

Speaking at the PCF Congress held last weekend, Alvaro Cunhal declared that "the processes of social and political transformation do not repeat themselves; revolutions are not copied; there are no models of revolution, just as there are no models for building the socialist society." The Communist leader attributed to "perestroika" the meaning of "a new and revolutionary advance of socialism, with great, profound, and positive, different solutions."

Also on his visit to the GDR on 22-24 November, Cunhal declared at the luncheon given in his honor by Erich Honecker that "the process of building the new society is different in each country according to the existing specific conditions." According to the weekly, AVANTE, Cunhal mentioned the extreme interest with which the creative policy of restructuring underway in

the Soviet Union is being followed. "In our view, the acceleration of socio-economic development, taking into account the gains of the scientific-technical revolution, the more rapid improvement of the people's living conditions, the intensification of democracy in the life of the party, the state, and society, the correction of delays, inadequacies, and errors, represent not a retreat but a new advance in socialism, as the Soviet leaders insistently explain."

It now remains to be seen if the semantic change of political discourse will go as far as to accept an actual restructuring of political action beyond tactical episodes as union presence or absence in the Permanent Council of Social Concert.

08711/7310

SPAIN

Poll Shows Fraga Favorite Leader of Right 35480034b Madrid PANORAMA in Spanish 21 Nov 87 pp 43-45

[Text] Manuel Fraga is still considered the leader of the Spanish Right a year after resigning as president of Popular Alliance (AP), according to a PANORA-MA/OTR poll. Both Antonio Hernandez Mancha and Adolfo Suarez are far behind Fraga, whose stands out as a leader mainly in Galicia, where he will be his party's candidate for president of the Xunta.

Even though Manuel Fraga Iribarne is no longer president of AP, one-third of Spaniards feel that he heads the rightwing alternative in this country and that he remains the conservative leader par excellence. This was the opinion of 33 percent of the respondents in the poll that PANORAMA/OTR conducted.

His successor as head of the AP, Antonio Hernandez Mancha, is still very far from achieving Manuel's charisma. Nineteen percent of the respondents describe him as the leader, and 13 percent award the title of rightwing leader to Adolfo Suarez.

Three percent of the citizenry even feel that Felipe Gonzalez has assumed the role of conservative leader. One percent awards it to Miguel Roca from Convergence and Union, while the president of the PDP [People's Democratic Party], Javier Ruperez, was the choice of none.

Those who espouse a rightist and center-left ideology clearly identify Fraga as the leader (47 and 41 percent, respectively). Those who call themselves centrists give both Suarez and Hernandez Mancha 21 percent.

Fraga is the leader as far as both men and women are concerned. Young people and adults up to age 49 feel the same way, whereas those 65 and over are most reluctant to see Fraga in that role, as only 29 percent describe him as the leader. College graduates, high-level professionals and urban residents feel that conservative supremacy belongs to Manuel Fraga.

As if this were not enough, the announced intention to run Fraga as the AP candidate in the Galician elections could be backed unconditionally by his fellow Galicians. Forty-nine percent of them are convinced that Manuel Fraga is the leader, while just 5 percent think that Hernandez Mancha represents the conservative option.

Technical Data

Conducted by: OTR/IS

Sample: 1,186 individuals 18 years of age and older in Spain. Random by clusters and random route

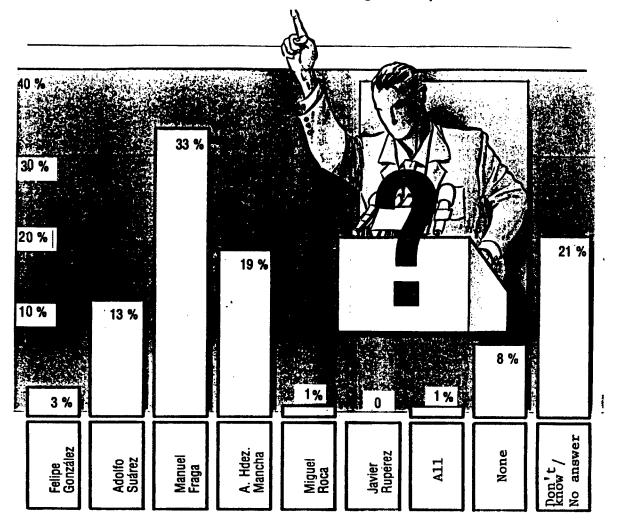
Field: 12 to 17 October. Door-to-door survey through the Emopublica field network

Sample error: plus or minus 3.8 percent for proportions of 50 percent, with a probability of 95 percent

Tabulation: OTR/IS

Director: Francisco Alvira

Who Would You Say Is the Leader of the Right in Spain?



						1			(2)		
	1	1) SIA	TUS OC		HABITAT						
	(3) Alto	(4) Medio	(5) Bajo	(6) En paro	Arrias de casa	Jubi-8	Ru	rai	Urbano	Metrop.	
Felipe González	4	3	_	4	3	3_		3	3	3	L
Adolfo Suárez	10	12	24	7	15	15	1	4	14	12	L
Manuel Fraga	52	36	32	29	31	28	3	2	35	32	L
A. Hdez. Mancha	11	22	13	26	16	13	1	2	18	27	L
Miguel Roca	T -	2	_	-	1	1		1	2	1	L
Javier Rupérez	1	 	-	2	0	0		1	0		L
A11	_	1	3	—	2	1		1	2		L
None	15	10	4	6	5	7	П	9	5	11.	L
DK/NA	6	13	24	27	28 -	30	2	8	22	13	
	%	%	%	%	%	1 %	33	%	· %	%	

- Key:
 1. Occupational or Income Status
- 2. Area of Residence
- 3. Upper
- 4. Middle 5. Lower
- 6. On strike
- 7. Housewives
- 8. Retired

	r	[Auton]		1			
	Anda- Jucia	Catalorio	Castilla y Leon	Galicia	Madrid	Pais Vasco	P Va- lenciann	Rest	
Felipe González	. 2	1	2	2	4		4	5	ľ
Adolfo Suarez	4	14	15	12	19	15	13	15	
Manuel Fraga	30	34	31	49	32	33	38	29	
A. Hdez. Mancha	20	15	18	5	23	27	16	23	ľ
Miguel Roca	-	5		2	1		1	1	ľ
Javier Rupérez	-	1		_	_	1		1	ľ
A11	5 1	1	2	-	-	5	4	0	ľ
None	6	11	6	3	10	3	9	8	ľ
DK/NA	37	18	25	28	10	17	15	18	ľ
***********************	1	× %	%	%	%	%	%	%	Ī

			Idec	logy		**********	
	(1)	(2) Centro Izquierda	(3) Centro	Centro- Derecha	(5) Derecha	(6) NS/NC	
Felipe González	4	5	0	3	3	3	_
Adolfo Suárez	14	14	21	15	13	9	
Manuel Fraga	39	41	33	42	47	21	
A. Hdez. Mancha	23	16	21	21	24	15	_
Miguel Roca	0	2	1	1	1	2	
Javier Rupérez		0	1	1	1		
All	2	1	1	-	1	2	
None	7	8	9	10	5	8	
DK/NA	11	13	13	7	5	42	
	%	%	%	%	%	%	

- Key: 1. Left
- 2. Center-Left
- 3. Center
- 4. Center-Right
- 5. Right
- 6. Don't know/no answer

	S	e x		Age					Education			
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Felipe González	3	3	ľ	4	2	2	3	1	3	3	5	1
Adolfo Suárez	12	14	ľ	9	16	14	14		15	14	9	14
Manuel Fraga	34	3 3	I	34	35	32	29		29	31	39	42
A. Hdez. Mancha	21	16	I	25 -	19	16	12		13	21	24	20
Miguel Roca	1	1	Ι	0	1	2	2		1	2	1	1
Javier Rupèrez 🐬	0	0		1.	0		1		0	0	1	1
All	2	1		1	1	2	1		2	1	1	
None	11	5		9	8	7	5	1	4.	6	10	18
DK/NA 🕟	15	26		ે 16-	18	24	33		33	22	12	3
	1	%		%	%	%	%		7			

- Key:
 1. Did not complete primary school
 2. Primary school
 3. Secondary school

- 4. College studies

FEDERAL REPUBLIC OF GERMANY

Navy's Interim Shipboard Air Defense Systems Reviewed

36200038 Bonn WEHRTECHNIK in German Nov 87 pp 16-22

[Article by Wolfgang Flume: "Air Defense of the Navy; Considerable Improvement Through RAM"; the first paragraph is a WEHRTECHNIK introduction; information on the "FRG-U.S. Government Agreement on Joint RAM Production" is appended at the end of the article.]

[Text] An FRG-U.S. agreement on the joint production of the RAM missile defense system was concluded during the summer of 1987. Thus, after quite a few delays, the road has been cleared at long last for a decisive improvement of air defense, especially for the defense against antiship missiles, in the FRG navy starting in the early nineties. The following article examines the air defense capacities on naval ships and boats. In this connection it should be noted that because of the guns there exists even now a relatively good air defense capability which has been achieved in recent years as a result of the introduction of new ammunition and of so-called softkill measures, in other words of the introduction of electronic countermeasures and of chaff and infrared flares.

The German navy operates in waters which in case of war are probably among the most endangered waters because of their proximity to the coast and the concentration of strong air and naval forces. The ships and boats of the FRG navy and its allies are thus exposed to a threat very wide in scope not only by surface and underwater naval warfare resources but also by landbased aircraft and helicopters and, above all, by missiles which can be employed from ships, aircraft land-not to overlook also the threat from the-also land, air, or shipboard-based-electronic warfare. In view of this modern threat the air defense capability of the German navy for a long time has been regarded as not at all adequate. Especially the discussions concerning the repeated reverses and delays in the U.S.-FRG development program for the RAM (rolling airframe missile) air-defense missile system now and again resulted in charging the navy of neglecting air defense protection, especially since even the modern boats and ships of the navy did not carry special air defense systems, which in other navies had been installed to some extent even before the Falkland Island events but especially after these events. Just keep in mind the PHALANX radarcontrolled rapid-fire gun systems of the Americans, the Dutch GOALKEEPER system (which the British procured after Falkland), or the Swiss SEAGUARD which for the first time was installed in the MEKO frigates built in the FRG for Turkey or the CROTALE NAVALE missile system of the French or the SEAWOLF missile system of the British.

The Combat Units

But it is not quite the way it may perhaps look to the superficial observer at first glance. Although it is not possible to speak of an optimal air defense system of the FRG warships, but it is not the worst either. In recent years a few things were undertaken after all: less spectacular measures (the introduction of RAM perhaps has to be regarded as such) but rather a number of small to medium-sized measures. This becomes evident in looking at the air defense equipment of the warships and boats.

LUETJENS Class Z-103B Destroyer

The combat effectiveness of the three guided missile destroyers procured in the United States at the end of the sixties was twice upgraded; at the same time their air defense capability was also improved. Thus in a first measure to upgrade combat effectiveness in the second half of the seventies, among other things, the fire control system was digitalized (Z-103A) and in recent years (Z-103B) among other things the tube artillery fire control system was renewed, the FL 1800S electronic warfare installation and an automatic target detection and tracking system AN/SYS-1 were installed and an improvement of the computer concept, integration of all sensors and effectors and especially the integration of weapon employment functions into the command and control program including an expansion of the missile engagement program was undertaken. The air defense component of the Z-103B at present consists of three fire control radars with which three air targets can be simultaneously engaged: one of them by the SM-1 STAN-DARD MISSILE and two by the two 127-mm guns (which like all shipboard guns of the navy can be employed against ship as well as air targets). The SM-1 is a missile with a range of about 50 km—it has a semiactive radar homing head and thus requires a target illuminated by a fire control radar. The launcher has a magazine with 40 missiles which can be fired in rapid succession. Recently a new SM-1 missile was introduced which provides a considerable increase in performance in engaging attacking antiship missiles.

In the early nineties the three destroyers are supposed to be equipped with two RAM launchers each, namely one launcher each on the forecastle and one each on the afterdeck.

Z-101A HAMBURG Class Destroyer

These four destroyers, commissioned in the mid-sixties and whose combat effectiveness was upgraded in the mid-seventies are to be replaced by the new frigates in the mid-nineties. Therefore their air defense capacity will no longer be improved—it consists of three fire control radars for the three 100-mm guns with which

three targets can thus be simultaneously engaged. In addition there are four optically directed twin guns. The computers of the fire control system are still analog computers.

F-122 BREMEN Class Frigates

The six frigates commissioned during 1982-1984—and the two additional ones now being built—from the start were designed for the installation of the RAM system (two launchers on the hangar deck), in addition the ships have two fire control radars for the forward 76-mm gun and the SEA SPARROW launchers with eight missiles. Thus even now two targets can be simultaneously engaged. The SEA SPARROW antiaircraft missile in the meantime has been modernized to improve the Seaskimmer defense.

Fast Patrol Boats GEPARD and ALBATROS Class S-143/A

The ten 143 class fast patrol boats commissioned in the mid-seventies and the 143-A class boats, also ten, (commissioned: 1982-1984) have a fire control radar for the 76-mm bow gun—both classes are supposed to get a RAM launcher on the afterdeck (in the case of S-143 replacing the 76-mm gun there—new class designation will then be S-143B).

S-148 TIGER Class Fast Patrol Boats

The twenty 148 class boats built in France in the first half of the seventies have only one fire control radar for the 76-mm bow gun and the 40-mm stern gun, thus can engage only one air target. In the near future the air surveillance radar is to be replaced by the TRITON G radar system of Thomson-CSF, which has an improved capability for Seaskimmer detection.

It should be added that optical directors for the guns are also available on the boats.

But the air defense capability of the warships should be measured not only by the number of fire control radars or guns or missile systems—air defense capacity also includes other active and passive systems and also the ammunition.

Modern Ammunition

Thus in recent years modern fragmentation ammunition with proximity fuze was procured for the 76-mm, 100-mm and 127-mm guns, as a result of which the probability of destruction against air targets—aircraft as well as missiles—could be increased since a direct hit is no longer absolutely necessary. Similar ammunition is also being developed for the 400-mm caliber and it is planned to be procured. Moreover an increase in the performance of the 40-mm guns is planned by improving the feed of the ammunition and of the aiming and tracking accuracy.

In the case of gun systems the accuracy of fire against high-speed air targets is above all a function of the quality of the radar control. In this respect the 103B destroyers, the 122 frigates and the 143 fast patrol boats probably meet the highest requirements, especially since the fire control systems are digitally designed.

"Soft Kill"

An important device against missile attacks are deception measures by chaff (tin foil strips), which fool enemy radar equipment, e.g., fool the missile search head or infrared flares to fool infrared seekers. All naval warships and boats are quipped with these radar and infrared anlagen hull ejection systems.

But not to be overlooked are the electronic warfare systems of the ships and boats by which the radiation of missile search heads can be detected early as regards direction and radiation spectrum to then activate almost fully automatically the appropriate defensive measures by digital computer, defensive measures which include, in addition to the tube artillery and missile weapons and decoy missiles, also active jamming transmitters, practically in terms of time even the first measure against incoming missiles. Such a comprehensive electronic warfare system is the FL-1800S with which, in addition to the 122 frigates, the 143A fast patrol boats are also equipped. The 103B destroyers, the 143B fast patrol boats and the 123 frigates will also receive this systemprobably the latest of its kind in the world. It is also planned to equip the 148 fast patrol boats with a similar but smaller electronic warfare system.

By the coordinated interaction of all active and passive systems a multilayer staggered air defense can be implemented—an appropriately efficient command and weapon engagement system (FueWES) on shipboard is of course a prerequisite—this system exists on the 103B destroyers, the 122 frigates and the 143 fast patrol boats.

The Combat Support Units

In addition to the mentioned warships/boats-after all about 75—the navy has additional ships and boats which are of course vulnerable to threat from the air-even though not as much as the warships. These ships and boats-from mine hunters and minesweepers, amphibious landing craft up to the resupply ships-have relatively weak air defense weapons, in most cases only 40-mm guns which are optically controlled. The air defense capability of these combat support vessels is to be improved among other things by introduction of the infrared-guided manportable antiaircraft missile 2 STINGER—each vessel is to receive two so-called turrets with missiles to be employed by the gunners (naval air bases are also supposed to receive STINGER to supplement the wheel-mount ROLAND and the 40-mm air defense guns which have been retained).

The STINGER missile has a combined infrared and ultraviolet search head and can be primarily employed against aircraft, with intercept ranges of a few km. The navy is also investigating the extent to which the STINGER can be integrated on the existing 40-mm guns—in this connection the fire control capacity of the vessel and the stabilization of the weapon can be used to improve the vector of the missile. In the turrets any preadjustment of the homing device is lacking; the gunner merely can more easily compensate for the movements of the ship.

RAM—Especially for Missile Defense

"The" air defense system of the navy, especially designed to engage land, air, and shipboard-based antiship missiles will, however, be RAM. This missile system has been under development in the United States with General Dynamics since the mid-seventies. What originally looked like a simple way which above all could be implemented quickly, namely the integration of tested components of the SIDEWINDER air-to-air missile and the STINGER infrared-guided manportable antiaircraft missile into a new missile, did prove to be far more difficult and time consuming to achieve-at any rate RAM will not be supplied to the navy until 1991; the plan called for 1982. The development will result in costs exceeding DM 1 billion, borne half each by the United States and the FRG—Denmark, with a financial share of 2 percent in the development at one time, in the meantime has the status of a pure observer. Even though the FRG contributed a great deal to the development costs, the participation of the German industry in it was only small, primarily only with regard to the launcher.

The RAM missile system, in contrast to the other missile systems, is a true fire-and-forget system. While SEA-WOLF or CROTALE NAVALE require a fire control radar for constant target tracking during the missile flight, RAM in this respect is autonomous. In the course of a normal engagement, the ship's fire control system receives an indication by the electronic countermeasures system that the ship is being attacked by a missile. As a result of the direction-finding bearing RAM-range about 10-12 km—can then be immediately employed. But a greater hit probability is achieved if, after the electronic countermeasures direction finding bearing, the surveillance radar is briefly switched on as a result of which—with only 2 to 3 antenna sweeps—the distance and the speed of the incoming missile can be determined and thus also the optimum time for launching the RAM. RAM itself heads for the target without support of the launching ship—first with its passive radar search head, in the final approach phase with the infrared seeker. Thus—and that is a certain limitation—RAM can only be employed against antiship missiles with an active radar search head which head for the carrier ship—thus RAM, on the one hand, is a pure self-defense weapon, on the other hand "only" about two-thirds of all antiship missiles of the Warsaw Pact can be engaged with it.

But the other, not radar-guided antiship missiles can also be engaged with radar support and by the infrared seeker, especially if later on the "growth potential" of RAM is utilized in the direction of "IR all the way," i.e. employment of an improved infrared seeker immediately after the start of the missile for homing in on the antiship missile to be engaged.

Thus RAM is no "all around weapon"; however, the navy was of the opinion that it has advantages over radar-controlled missiles—which can be employed against all types of antiship missiles—: No fire-control radar system "that can be jammed" is required, incorporation into the ship's command and weapon engagement system is simple, several air targets can be engaged simultaneously (less danger of saturating the system) and it can be installed equally on boats and on ships without shipbuilding problems—thus a great logistical uniformity, a factor important to a relatively small navy like the FRG navy.

To summarize here once again, the following are to be equipped with RAM:

- —the ten S-143A and ten S-143 (then S-143B) with a launcher each on the afterdeck,
- —the eight 122 frigates with two launchers each on the hangar deck,
- —the 103B destroyers with two launchers each (one behind the bow gun, one on the afterdeck),
- —the four 123 frigates in accordance with the 122 frigates.

Each launcher has 21 missiles ready for launching; a reloading on board is provided for. Including the launchers for training facilities, reference facilities and ready reserve, a total of 58 launchers are to be procured for the FRG navy and 1,923 missiles at a total value of DM 1,642 million, which will be obtained during 1987-1995. Of this amount, DM 194 million is planned for series preparation, DM 759 million for the procurement of the missiles (i.e. about DM 400,000 per missile) and DM 689 million for the launchers. Thus a launching facility with 21 missiles costs about DM 20 million (mind you "system price" including all expenditures for documentation, etc)—this may seem to be very high but radar-controlled rapid-fire gun systems with GOALKEEPER or SEAGUARD including ammunition do not cost any less.

Before RAM is placed on ships and boats during 1991-1996—the integration will take place during the scheduled repair of the ships—there is, however, enough development work to be performed, in the United States as well as in the FRG, in the FRG especially as regards the integration in the command and weapon engagement system of the naval ships and boats. During the testing of RAM until now only the appropriate installations of

U.S. Navy ships were used. The following deal with the integration work: the Naval Command Systems Command, the FRG Defense Procurement Office and the German industry, especially the RAM System GmbH and ADV Orga; the first round launched by a German unit will probably take place by about 1991.

Can Do More: LAMS/MFR

As already stated, RAM is a self-defense system. Thus it can only be used against missiles which threaten one's own ship-or ships nearby-but not against missiles flying crosswise. To a certain extent this will become possible only with the LAMS/MFR (local area missile system/multifunctional radar), as it is provided for the NATO frigates 90 (German designation: class 124) the introduction of which is planned for the end of the nineties. LAMS will be designed for area air defense. Since the FRG navy intends to retrofit the 122 and 123 frigates with LAMS/MFR possibly later on, it will insist that this system will be so designed that it will also fit on these ships which are smaller than the NATO frigate 90. Thus in addition to the obvious self-defense capability, the navy also requires only a limited area defense; only important nearby ships are to be protected, are to be placed under "man-to-man protection."

Rapid-Fire Gun Systems, Too?

Of course, the question is discussed in the navy, too, regarding the extent to which radar-controlled rapid-fire gun systems can be used for the Seaskimmer defense. Juergen Mannhardt investigates in great detail the "possibilities and limits of missile defense with tube artillery onboard warships" in an article in our associated periodical MARINE RUNDSCHAU No. 5/87. The navy itself works on a special concept of "naval air defense." At any rate, one thing is certain: gun systems such as GOALKEEPER, SEAGUARD or the 4X27 mm system researched with Mauser cannot replace missile systems such as RAM, at best they can support them. Their operational range with about 1,500 m is quite limitedafter all a missile attacking at a speed of Mach 1 covers this distance in only 5 seconds. Therefore for that reason alone an early engagement, as it is made possible by RAM, is very valuable. But it will depend to a very large extent on the available funds whether such rapid fire guns can be employed sooner or later in the navy, too.

At any rate: Air defense, especially missile defense, in naval planning will remain a main emphasis to which great attention will be devoted. There is no such thing as a "cure-all" and therefore the "layered defense" with "hard" and "soft kill" is a safe course of action.

FRG-U.S. Government Agreement on Joint RAM Production

Unless the RAM program provides us with even more surprises—the past course of the program has been anything but encouraging—then RAM could become a milestone of U.S.-European armament relations, for

according to plans the missile system is to be simultaneously manufactured in the United States and in the FRG, for U.S. demand, too. This was made possible only by a change in the U.S. law.

The corresponding FRG-U.S. government agreement on joint RAM production was signed by defense ministers Weinberger and Woerner in Washington on 3 August. The path to this agreement was truly strewn with all kinds of difficulties. Many misses and subsequent program delays resulting therefrom brought the project more than once close to failure. Last year the U.S. Congress made its approval for continuation of the program dependent on the fulfillment of some conditions, such as, for example, limitation of the U.S. development share to \$217 million and the per unit cost of the missiles to \$100,000 for the 4900 series missiles. The Pentagon was able to give this pledge to the Congress by the end of March 1987 and the secretary of the navy approved continuation of the program on 28 April. Development and procurement phases were to overlap somewhat so that series production of the missiles can be started without any further delays.

The fact that this was finally achieved on the one hand is a consequence of the successful test series in April with 11 hits of 12 launches but on the other hand can be attributed to the German insistence on RAM (despite all reverses) and several German steps in Washington to induce the Americans to continue the project.

The FRG-U.S. agreement provides for the joint production of 58 launchers and 1923 missiles for the FRG navy and at least 30 launchers and 4900 missiles for the U.S. Navy. In this connection one must distinguish between missiles and launchers:

Missiles

In terms of value about 70 percent of the missile falls under the provisions of the agreement, the remaining 30 percent is so-called government-furnished equipment, thus in this case compatible parts of SIDEWINDER and STINGER which were not developed for RAM. These parts will be supplied primarily by U.S. firms, but German enterprises also have the opportunity to participate in providing such parts.

For the production of about 70 percent by value of the missile, General Dynamics is the general contractor in the United States and the RAM System GmbH founded by AEG, Bodenseewerk, Diehl and MBB with equal shares in Germany. The production orders are placed in annual lots (that is something new for German conditions) with the firms in competition. Decisive for the shares allotted to both firms is the most favorable offer—the better a firm makes out in relation to the other, the higher will be its production share. The originally planned 60/40 regulation (60 percent to the bidder with the lowest price, 40 percent to the "loser") has been abandoned. But so that both enterprises can maintain

production, at any rate a provision has been made for a minimal share in the production for the loser—for the time being 30 missiles per month has been stipulated here.

Launchers

For the launcher General Dynamics will be general contractor, the RAM-System GmbH will be coproducer. The FRG will have a 70-percent share in the production of the onboard equipment. In this respect, in contrast to the missile, there will be a single-source production, with final assembly in the FRG.

As is customary in international programs, a joint steering committee will be officially established—the committee also distributes the annual quotas to the firms, just as in Washington a U.S.-FRG RAM program office RAMPO acts as procurement authority. The FRG deputy director holds a strong position in this RAMPO—this is to make sure that it becomes truly a joint project with partners who have equal rights.

Now it is the task of the U.S. industry side to enable the RAM-System GmbH to start with production preparations by turning over know-how—moreover it is supposed to be competitive for the series in relation to General Dynamics—General Dynamics also developed the system. Plans call for the delivery of the systems during 1991 to 1996.

Included in the FRG-U.S. government agreement is also the production for export to Third Countries.

12356

FRANCE

Barba Report on Luchaire Arms Sales

Content of Document

35190019a Paris LE FIGÁRO in French 4 Nov 87 pp 4-5

[Text] The purpose of Armed Forces Comptroller General Barba's report, which we are reprinting in its entirety, was to shed light on the conditions under which the Luchaire Company exported artillery munitions in recent years.

The document includes nine pages of appendices of a technical nature or concerning the identity of persons attending certain meetings or talking with the investigator.

The investigation with which I have been entrusted concerns the Luchaire Company's artillery munitions (155-mm and 203-mm caliber) which, while authorized for different companies, were actually intended for Iran. The press began its reportage of the affair beginning on 6 January 1986 (LE QUOTIDIEN DE PARIS) and action

was brought by Minister of Defense Paul Quiles (Letter No 11,449, dated 13 March 1986 and addressed to the minister of justice) against company officials.

This report, which reveals the results of my investigation, is divided into two parts: The first has to do with the course of events and statements made by Daniel Dewavrin, chairman of the board of the Luchaire Company. The second is devoted to the role played by different political and administrative authorities in the process that allowed secret exports to Iran.

Given the short amount of time allowed me, I was unable to question the persons accused or concerned or gather precise information on the secret methods used by the Luchaire Comapny (contacts with Iranian authorities, financial circuits, the remuneration of intermediaries and the obtention of certificates of compliance or phony certificates).

This report will later be completed by a study (which I believe is necessary at the conclusion of the investigation) of measures to be taken to improve the effectiveness of export procedures for raw material, arms and munitions.

Statement of the Facts

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After reviewing the essential points of the case, I shall present the version provided by Daniel Dewavrin, Luchaire board chairman.

Based on information from various sources on the Iranians' interest in large-caliber artillery munitions, the Directorate for Protection and Defense Security (DPSD) began to take a look at exports of munitions of that type (105-, 155- and 203-mm) made by the Luchaire Company.

By 25 January 1984, it had reported to the minister of defense' staff on theexport to Ecuador of 20,000 rounds of 105-mm and 20,000 rounds of 155-mm, quantities that did not fit the needs of the Ecuadoran Army. On 16 February 1984, it reported the seizure at Port Said by Egyptian authorities of the load of a Cypriot vessel (2,000 tons of munitions, including 40,000 155-mm shells ordered by Luchaire) headed for Iran.

Several reports were subsequently sent to the minister's staff by the DPSD, giving increasingly specific information on the real destination: the port of Bandar-Abbas in Iran, of the loads of 155- and 203-mm munitions shipped from the port of Cherbourg on vessels of different nationalities that were allegedly to deliver them to Portugal, Brazil, Israel, Yugoslavia, Thailand and Pakistan.

These exports to fictitious destinations were done "according to the rules," meaning that there had been: first of all, a decision of acceptance by the general secretary of national defense (acting on authority delegated by the

prime minister), acting on a favorable ruling by the Interministerial Commission for the Study of War Materiel Exports (CIEEMG); and second, the issuance by the Customs Service (head of public bans of the General Directorate of Customs and Indirect Duties) of an authorization to export war material (AEMG), previously approved by the representatives of the general secretary of national defense (SGDN), the minister of foreign relations (Directorate of Economic and Financial Affairs) and the minister of defense (Directorate of International Affairs (DAI), Subdirectorate of International Commerce Control).

Nevertheless, three requests were the object of restrictions or rejections by the CIEEMG. They included: a request for 20,000 rounds of 105-mm and 20,000 rounds of 155-mm shells for Ecuador. Initially postponed at the 15 December 1983 session of the CIEEMG, this request was accepted for only 11,036 rounds of 155-mm at the 19 April 1984 meeting of the CIEEMG, in accordance with the proposals of the DPSD. There were also two requests for 50,000 rounds of 155-mm shells for Portugal, rejected at the CIEEMG session of 22 March 1984 following an unfavorable recommendation apparently handed down by the DAI zone officer in charge of Portugal.

In addition, starting in the fourth quarter of 1985, in the face of persistent rumors concerning rerouted destinations, the DAI proposed giving unfavorable responses to four more applications filed by Luchaire: for Yugoslavia, 60,000 rounds of 155-mm (2-month postponement at the 18 July 1985 CIEEMG meeting; rejected at the 10 October 1985 session); for Thailand, 10,000 and 35,000 rounds of 155-mm (rejected at the CIEEMG session of 10 October 1985); for Turkey, 50,000 rounds of 175-mm munitions (postponed for a month at the 12 December 1985 CIEEMG meeting; rejected at the session of 16 January 1986).

Files on dubious exports to Portugal, Brazil, Thailand and Yugoslavia were presented to me by the DAI Subdirectorate of Control. They contain photocopies of introductory reports for the CIEEMG, along with the ruling of the commission and the decision of the SGDN, orders placed with Luchaire by its Italian subsidiaries, the Societa di Armamento (SEA) or CONSAR, or, on an exceptional basis, by Technical Engineering Consultants, Ltd. of Grand Cayman (Caribbean), what is known as "end user" certificates containing a non-reexport clause (CNR) and finally, the AEMG's.

The total number of munitions diverted to Iran is reportedly: 384,400 rounds of 155-mm, or: 100,000 allegedly going to Portugal but delivered to Iran in 1985; 94,000 said to be destined for Brazil but delivered to Iran in 1984, 1985 and 1986; 100,000 allegedly addressed to Thailand but shipped to Iran in 1984;

90,000 allegedly going to Yugoslavia but delivered to Iran in 1984 and 1985; and 55,000 203-mm shells destined in principle for Thailand but delivered to Iran in 1985.

To these figures one must add the likely delivery in 1982 of 40,000 rounds of 155-mm (20,000 theoretically exported to Greece and 20,000 to Peru) and, in 1982, 49,304 rounds of 155-mm (19,168 theoretically exported to Peru and 30,036 to Ecuador), plus the delivery of 120,000 charges and 120,000 fuses in 1983 and 1984, supposedly addressed to Brazil.

In February 1986, the DAI ascertained, based on an investigation by the Armed Forces attache in Brasilia and involving the Brazilian military attache in Paris, that the end user certificate presented by Luchaire, backed by an AEMG request for 20,000 rounds of 155-mm to be exported to Brazil, was a fake.

On 13 March 1986, Minister of Defense Quiles filed action against officials of the Luchaire Company and on 14 March, the prime minister's chief of staff ordered that the AEMG not yet used by that company be canceled.

Version of Luchaire Board Chairman

On 30 May 1986, I questioned Luchaire board chairman Dewavrin, who confirmed the statements he made on 5 March 1986 and 7 April 1986 to ordnance officer Arnaud, then director of international affairs, and on 24 April 1986 to the head ordnance official, Conze, then deputy director, in effect admitting that the 155- and 203-mm shells shipped from Cherbourg were definitely headed for Iran and not the countries: Ecuador, Peru, Brazil, Portugal, Yugoslavia and Thailand, for which his company had obtained the CIEEMG authorizations and the AEMG.

During meetings with Conze and myself, he gave the following information: Contacts with Iranian military men were set up in 1981-1982 by Appiano, head of Luchaire subsidiaries SEA and Consar. Neither he nor De Narbonne, his financial director, participated directly in the transactions.

Orders were given to Luchaire by these two subsidiaries, with the exception of one order made at the end of 1985 by one Caribbean company acting in principle on behalf of Brazil, due to increased surveillance by Italian services of the SEA and Consar.

A total of some 450,000 rounds of 155-mm ammunition were shipped to Iran.

The banking arrangement involved the Italian National Labor Bank (BNL).

MILITARY

Dewavrin was introduced in 1983 (?) [sic] to the defense minister's assistant, Dubos, by Falcoz. Dubos asked him not to export munitions to Iran openly, but rather, to see DAI officials to whom he had given the necessary instructions.

During the meeting with ordnance officer Cauchie, in the presence of chief engineer Durel and Falcoz, Dewavrin called attention to the very grave situation of his company and its need to export munitions to Iran.

In the Ministry of Defense, the following officials were aware of the company's disguised exports to Iran: on the minister's staff, in addition to Dubos, Heisbourg and ordnance officer Blanc, technical adviser; in the DAI, the three successive directors (ordnance officers Cauchie, Audran and Arnaud) and deputy directors: chief engineer Durel, Baudouy and Allely.

In certain cases, the Subdirectorate of Control of the DAI (Allely) participated along with Luchaire in the makeup of introductory prospectus to the CIEEMG to make them more credible.

Financially speaking, commercial costs (FCE) were substantial (100 million francs) and paid by the BNL in Switzerland to the different Italian and Iranian intermediaries. Transfers of funds requiring an authorization from the minister of economy and finance were obtained thanks to the approval given by the minister of defense staff.

Relatively small sums on the order of 2.5 to 3 million francs were turned over to Diaz, among Hernu's associates, by Falcoz, but no sum was paid directly to the Socialist Party or to officials in the ministry.

The Customs Department was not aware of the actual destination of exports.

Documents accompanying exports (end user certificates needed to obtain the AEMG, certificates of arrival to be submitted in 6 months to customs offices) did not come from the governments supposedly receiving the munitions and the latter were in no way involved in the affair. Dewavrin does not know whether they were certificates of compliance provided by military officials or foreign government employees for money or fake certificates. According to him, the use of certificates of compliance is rather widespread in arms export circles.

Reasons leading political official to cover Luchaire's illegal exports to Iran are mainly of an economic and social nature.

High officials in the Ministry of Defense who knew about the matter repeated counseled caution: chief engineer Durel, following the seizure of a shipment by the Egyptians; ordnance officer Blanc at the Satory 1985 exposition; and, on 20 December 1985, when reporters were beginning their investigations, ordnance officer Arnaud.

At the end of December 1985, De Narbonne met with reporters from LE CANARD ENCHAINE, who informed him they had reliable information on the case. Dewavrin intervened through Falcoz with Minister of Foreign Relations Roland Dumas, who managed to prevent the publication of an article.

Finally, large-caliber munitions were definitely delivered to Iran by Luchaire. Dewavrin claims that such illegal exports were covered by the government and made possible thanks to the tacit or active complicity of certain high officials in the Ministry of Defense acting on orders. How much credit can one give to such information? I shall try to answer that question.

Role Played by Different Persons Involved

The Luchaire case gives rise to several questions which I shall try to answer based on documents forwarded to me and on the elements I gathered during my meetings.

Did the staff of the minister of defense (Hernu) cover up and help Luchaire's exports to Iran?

First of all, I would recall that Hernu's staff was regularly informed by the DPSD of suspicious action on the part of the Luchaire Company and had been since 25 January 1984. Moreover, Dubos was verbally warned by Admiral Lacoste, general director of foreign security, on 7 February 1984. In addition, a memorandum from the Directorate of Territorial Surveillance (DST) dated 6 November 1984 (according to Lieutenant Colonel Allamand, head of the Reserve Bureau, delivered to Hernu by Bonnet) tells of a contract signed by Luchaire with Iranian authorities for the supplying of 500,000 105- and 155-mm shells. This memorandum was turned over to the DPSD by the bureau chief for his action, I was told.

I was convinced that Dewavrin was telling the truth when he said he had been covered by Hernu's staff and, more specifically, Dubos. That conviction was borne out by the following elements:

Hernu's staff did not seriously follow up the facts revealed by the DPSD. He did not order the investigation of Luchaire as suggested by this directorate in Memorandum No 686 of 16 February 1984, or the joint DPSD-General Armed Forces Control investigation later proposed by Colonel Marie to the head of the Reserve Bureau. With rare exceptions, he did not oppose the suspicious requests of the Luchaire Company and gave no instructions that the AEMG's following the CIEEMG authorizations should not be issued or should be withdrawn.

An application to export 100,000 155-mm shells to Brazil, postponed at the 5 June 1984 session of the CIEEMG, was even accepted at the 13 September 1984 session despite the unfavorable recommendation passed on by the DPSD to the staff (Memorandum No 2,234 of 5 June 1984).

When questioned by the DPSD in a "verbal" memorandum of 19 March 1985 ("the question is whether these various movements of war materials destined for export are covered by decision-making authorities"), he did not answer. Lieutenant Colonel Allamand told me that for his part, he had asked Dubos the same question with the same result.

General Wautrin, former director of Protection and Defense Security, told me that in the spring of 1984 (probably in March), when his agency was beginning to receive information concerning the real destination of munitions exported by Luchaire, Dubos asked him to "get going" on that company. He replied that investigations completed by his department stemmed from the DPSD mission. Dubos then added: "You understand; Luchaire is providing the Socialist Party with funding."

Early in 1985, after the DPSD sent a detailed memorandum on 155-mm munitions exports to Thailand (No 4,708 of 17 December 1984), Colonel Gillet, acting director of Protecion and Defense Security, received instructions from Dubos to continue his surveillance, but to be very discreet on the information gathered, the latter to be passed on only to the staff henceforth. Consequently, DPSD memoranda relating to Luchaire exports were addressed solely, effective 15 May 1985, to the reserved staff office, while copies of previous reports went to the DAI (except for the one dated 15 December 1984) and the Armed Forces comptroller general (except for those of 25 January 1984 and 16 February 1984).

Furthermore, in Note No 34 DEF/CAB/RES of 22 March 1985, addressed to ordnance officer Arnaud, director of international affairs since 1 February 1985, Lt Col Allamand, after copying the information contained in a "verbal" memorandum from the DPSD dated 20 March 1985, passed on the following instructions: Dubos had asked that the Luchaire Company be contacted at the highest level by the DAI in order to request that it cease that type of operation and inform it that all departments were keeping an eye on its activities. Dewayrin was summoned on 2 April 1985 by Arnaud. However, I believe that the summons was for the purpose of warning Dewavrin about any lack of caution. The DPSD had in fact called the staff's attention "to the secrecy of the operation, which was not 100-percent certain despite the removal of any marks from munitions crates and resulting risks." In its memorandum No 1,845 of 15 May 1985, it indicated that based on information gathered locally (in Cherbourg), "the Luchaire Company and the transport agent had received strict orders to exercise caution from the DGA/DAI." The message therefore seems to have been passed on.

Concerning Dewayrin's claims that Dubos allegedly gave the DAI instructions to help Luchaire to assemble credible files to present to the CIEEMG, they seem to me to be exaggerated, but not without foundation. Actually, chief engineer Durel told me on 4 June 1986 that:

Following the seizure by the Egyptians of a shipment of munitions headed to Iran, which affair was commented on in detail by the Greek press, ordnance officer Cauchie met with Dewayrin and Falcoz on 5 January 1984 in my presence (Cauchie wanted a witness).

Dewavrin explained in detail the catastrophic situation in which his company found itself and the decision he had made, in order to get it back on its feet, to export munitions to Iran. He spelled out very frankly the mechanism used (SEA orders for countries that were not the true destination: Greek, Brazil, Peru, and so on) and expressed his concern over contacts made by the DST with his firm's security agent.

Cauchie thanked Dewavrin for his frankness but told him that while he could understand his motives, his method of resorting to illegal exports was inadmissible and that he would have to answer to the minister. Falcoz then spoke and suggested that Cauchie call Dubos, which the director did. Dubos answered that he would handle the matter at his level.

A few days later, Cauchie told me he had seen Dubos, who confirmed that he would take charge of the matter. Cauchie added: "I assume they will let Luchaire go ahead provided it does not get caught, there is no real cover the staff will simply see, at the level of the CIEEMG, that the operations are fairly credible and the quantities not outrageous."

Within the Ministry of Defense, what persons were in on the affair and what role did they play?

In the Ministry of Defense, several agencies and organizations knew about the procedures for exporting war material, arms and munitions. I shall examine the role played by different persons who belong or belonged to such agencies and organizations and who therefore knew about the Luchaire exports.

General Delegation for Munitions

Ordnance officer Blanc, whom I did not question, is named by Dewavrin as one of the high officials aware of the real destination of the Luchaire munitions. I believe him but cannot supply proof. I recall that the former general representative for munitions was a member of Hernu's staff from 24 June 1981 to 25 May 1983 as technical adviser for munitions.

This agency plays an important role in the examination and transmission of applications for export authorizations before the CIEEMG and in the issuance of the AEMG's. It receives orders (or contracts) placed with export companies by governments or foreign companies and end user certificates that included a non-report clause (CNR).

Durel's statement reveals that Cauchie, director from 1 July 1981 to 23 May 1984, was informed of the illegal procedures used by Dewavrin. He and his successors, ordnance officers Audran and Arnaud, received (and I do not doubt it) verbal instructions from the staff (Dubos). This is also the opinion of ordnance officer Conze, formerly deputy director, who was not informed of these instructions, but who had suspicions following information given by the DGSE. Upon the arrival of Arnaud on 1 February 1985, he advised the latter to write a memorandum to protect himself.

I questioned Allely, deputy director of control of war material commerce since March 1984. He denied receiving from his director any instructions that would facilitate Luchaire's illegal operations and thus explain the fact that neither his aides nor he himself detected the irregularities committed by the company: The DAI no longer received information from te DPSD starting in December 1984. At the time of the consideration of Luchaire's export requests by the CIEEMG, neither the DPSD nor the DGSE opposed their acceptance. For diplomatic and technical reasons (some 10,000 cases a year), it is not possible to make a priori systematic verifications of foreign governments concerning the truthfulness of orders or subsequent inspections in the countries of destination. Consuls who until some 20 years ago approved certificates of arrival no longer do so.

In addition, Allely pointed out that: His subdirectorate had issued unfavorable rulings starting in the fourth quarter of 1985 on requests for CIEEMG authorizations filed by Luchaire for dubious countries and that, at the request of the minister's staff, it began special verifications starting in January 1986 of the authenticity of the end user certificate for an export to Brazil. The investigation showed that the certificate was a fake.

These justifications, although plausible, did not convince me. It is in fact surprising that Allely, warned in March 1985 of the serious suspicions concerning the real destination of Luchaire's munitions exports, was content with a formal verification of the AEMG's, the nonreexport clauses, the end user certificates and the contracts, which verification revealed no administrative irregularities. Conze is convinced that Allely, acting on Dubos' orders, played a role in the affair. I share his view, but found no proof against Allely.

As for the five zone officers for the countries allegedly receiving the shipments (not under Allely's subdirectorate, but geographic subdirectorates of the DAI), they told me that they had received no special instructions to "close their eyes" to suspicious applications from Luchaire and I believe them. One may blame them for not detecting the most flagrant anomalies, a request to

export 203-mm shells to Thailand, for example, which country has no guns of that caliber. One of these officers, Lieutenant Colonel Camon, nevertheless wondered about the unjustified size of two requests for 50,000 155-mm shells for Portugal. His negative ruling led to a rejection by the SGDN at the CIEEMG session of 22 March 1984.

Directorate of Protection and Defense Security (DPSD)

Entrusted with the task of participating in "the application of the provisions of the decree-law of 1939 concerning the elimination of illegal trading in war material, weapons and munitions," this directorate and, more specifically, the Armament Commerce Surveillance Group (GSCA), headed by Colonel Marie, performed its task perfectly, as demonstrated by the many memoranda it sent concerning this case.

General Foreign Security Directorate (DGSE)

This directorate, which does not have competence over surveillance of Luchaire's activities in France, repeatedly supplied information on the company's fraudulent exports:

On 7 February 1984, Admiral Lacoste saw Dubos and notified him of Luchaire's suspicious activities. He noted that Dubos had told him, "What you don't know doesn't hurt you."

On 18 May 1984, he met with General Audran and warned him about the trafficking.

On 21 March 1984, meeting with the president of the country, he warned him of ed him of the existence of munitions trafficking, in response to which the president nresponse to which the president asked him to speak to Hernu about it.

On 24 May 1984, he talked with Hernu about the matter.

On 29 November 1984, the DGSE sent the staff's private office a memorandum containing the following paragraph:

"One should also note that the Luchaire Company has recently attracted attention on several occasions. Certain unconfirmed information relates to munitions exports officially accepted by the CIEEMG that did not actually go to the countries for which they were officially authorized. Iran was among them."

More recently, on 7 November 1985, General Imbot sent the private office a memorandum concerning the interception by its departments of a telex revealing relations between the Iranian defense minister and the Consar Company with respect to a proposal to have Luchaire ship munitions. The DGSE warned about the possibility of the message being intercepted by third countries.

Armed Forces Staff (EMA)

Lieutenant Colonel Pagnac from the Plans-Programs-Space division, who has represented that staff on the CIEEMG since 1982, told me that he knew nothing of the suspicions concerning Luchaire's requests.

He believes that the timeliness of exporting munitions to countries not in the Warsaw Pact essentially has to do with political considerations and therefore cannot be evaluated by the EMA. This staff, acting in close cooperation with the Army, Navy and Air Force staffs and with operational directorates of the DGA [General Armaments Delegation], must, however, issue an unfavorable or restrictive ruling on any authorization to export material whose technology must be protected or whose use abroad could be detrimental to our defense.

Under such conditions, I believe that the EMA was not in a position to challenge the grounds for the Luchaire requests.

General Armed Forces Control

The General Armed Forces Control is not directly associated with the administrative process of exporting war material, arms and munitions. Actually, it does not participate in CIEEMG preparatory meetings (CIEEMG "Defense") or sessions of the CIEEMG and does not intervene in the issuance of AND No f f the CIEEMG and does nto intervene in the issuance of the AEMG's. However, it does receive reports from the CIEEMG, certain information memoranda from the DPSD, generally very late, and customs certificates stamped by customs offices, a copy of which is forwarded on to it by the DPSD.

Its mission is confined to a verification at war material manufacturing and marketing firms of proper application of the system instituted by the decree-law of 1939 (compliance of activities with regulatory authorizations, the application of security measures relating to the storage and shipment of material, the settlement of litigation concerning the classification of material, and so on). It exercises this supervision over parts and on the spot, particularly through the examination of 6-month summaries of activities sent to it by the enterprises involved and also through the abovementioned documents. Finally, ministries and directorates refer to it any problem relating to the war material regime.

However, when it received from the DPSD information relating to suspicious activities of the Luchaire Company, Comptroller General Collet, who is in charge of the regulation and control of war material for the CGA, proposed to his department head that he immediately launch a joint investigation with the DPSD and the DAI.

Following contacts with the DPSD regarding the organization of that investigation, Colonel Marie reported that it was deemed untimely by the minister's staff. During a meeting of the CGA (see below), it was decided not to begin the investigation.

In addition, Comptroller General Ravier, government commissioner to the Luchaire Company, gave me the following information on 12 May 1986:

"At the beginning of 1985 (in March or April), while examining the company's books for 1984, I began to have suspicions about Luchaire's Munitions exports, which rose from 400 million francs in 1983 to 725 million in 1984. I questioned company officials, who gave me no valid explanation. I then expressed my suspicions to Comptroller General Collet, who told me a week later that the Minister's staff was opposed to any investigation. I concluded that trafficking was going on, covered up by the staff.

"When Quiles took office, chief ordnance officer Toret, formerly head of the munitions division at Luchaire, was appointed semi-official charge de mission on the minister's staff, under the authority of chief ordnance officer Grossi, technical adviser. Around October 1985, I asked him to tell the new minister of my suspicions about Luchaire's exports to Iran. In December, I asked chief engineer Rabault, technical adviser, if Quiles had been notified. He called me back at the beginning of January to tell me that the minister was aware of what was happening and that Careil, his civilian and military chief of staff, had sent me the following message through his intermediary: "We have a presentiment, we disapprove, we ask you not to write anything in order not to force us to react."

"I went to see Comptroller General Blandin, who organized a meeting with Comptrollers General Cherrier, Hardy and myself. Following the meeting, it was decided that in the minutes of the next meeting of Luchaire's surveillance council, I would make a veiled reference to this export matter."

The minutes, dated 14 February 1986, indicates, in paragraph 1 relating to the provisional results of the 1985 fiscal year, that:

"Luchaire's turnover for 1985 must be on the order of 1.9 billion francs, compared with 1,627 million in 1984. Once again, this growth is due to armaments: 1,302 million francs compared with 1,035 million in 1984 and 790 million in 1983. This increase is due to exports, whose growth (1,078 million compared with 725 million in 1984 and 400 million in 1983) stems from a few large contracts with countries whose orders truly appear to be very large compared with their known needs."

Were the Defense Ministry's foreign departments able to impede Luchaire's illegal exports?

Not having had the time to discuss this matter with officials from the Ministry of Foreign Affairs, I shall limit my response to the SGDN and the General Directorate of Customs and Indirect Duties.

General Secretariat of National Defense (SGDN)

The SGDN was manifestly not aware of Luchaire's munitions trafficking with Iran. General de Barry told me that he had learned about the matter through the press and previously had no elements enabling him to detect any political decision to encourage such exports. (Hernu had "confidential" information sent on to him relating to different affairs, but not to arms exports.) He now believes that Luchaire could not have operated without at least the tacit approval of the government. Whatever the case, in his opinion, inasmuch as the SGDN's task was to be the guarantor of legislative and regulatory provisions, it is scarcely conceivable that it would be associated with dubious operations.

Audigier, SGDN economic adviser and president of the CIEEMG, and Lieutenant Colonel Dumont of the Gendarmerie, secretary of the CIEEMG, admitted they could have detected anomalies, particularly with respect to the catalogue of the main foreign material published by the DAI Intelligence Office, but that because of the large number of memoranda examined by the commission (400 to 500 per session) and their inadequate means, their task is difficult. Furthermore, they are surprised that the representatives of the minister of defense on the CIEEMG did not reprot at any meeting the information they possessed on the real destination of munitions exported by Luchaire.

General Directorate of Customs and Indirect Duties (DGDDI)

Crebassa, chief of the third office ("public bans") of Subdirectorate D3 (legal cases and litigation) of the DGDDI, is that directorate's representative on the CIEEMG. Furthermore, he signs the AEMG's previously approved by the SGDN, the DAI and the minister of foreign affairs and passes them on to exporters. He gave me the following information in the presence of Weiber, general director of customs and indirect duties:

Regarding munitions exports, the role of the customs department mainly consists of verifying that the required authorizations have indeed been granted and that the required documents (customs voucher, end user certificate sent within 6 months to the customs office that completed the customs procedures) had been presented.

The customs department has no means (legal or otherwise) of verifying the authenticity of final arrival certificates sent to the customs offices.

Crebassa does not exclude the supplying of certificates of compliance or fake certificates, given the difficulty often encountered by exporters in obtaining official documents within the time required.

As for "physical" inspections of goods exported by customs office agents, they are very limited. In the specific case of Luchaire exports, the customs service detected no anomaly and did not discover the case until March 1986, when Colonel Autret, on the military staff of then Prime Minister Fabius, ordered that verifications be made at customs offices.

In the final analysis, there is no doubt, in my opinion, that members of Hernu's staff, Dubos in particular, "covered up" Luchaire's clandestine exports to Iran. Only a few persons were aware of all the details in the matter: Those who had to hand down rulings on the company's export authorization applications did not oppose the granting of such authorizations (unless the irregularities were too flagrant) despite the increasingly precise information supplied by the DPSD. Furthermore, the staff never followed recommendations to investigate made by this directorate or the CGA.

On the other hand, I do not believe that DAI officials, suspected of helping Dewavrin present credible dossiers, actually participated in setting up the system that enabled Luchaire to export munitions to Iran for several years, using authorizations issued for other countries and fake certificates.

Conclusion

1—It has been established that the Luchaire Company exported 155- and 203-mm (and perhaps 105-mm) artillery munitions to Iran from 1983 to 1985:

- by using administrative authorizations granted for other countries: Greece, Yugoslavia, Portugal, Ecuador, Peru, Brazil, Thailand and Pakistan;
- by submitting fake end user certificates or certificates of compliance to the Directorate of International Affairs of the Ministry of Defense, on the one hand, and fake end user certificates (or certificates of compliance) to the competent customs offices.

The total volume of munitions thus shipped to Iran would be on the order of 500,000.

These facts were admitted by Dewavrin, chairman of the board of Luchaire, who claims to have been covered by the minister of defense' staff and aided, based on confidential instructions from the latter, by officials in the Directorate of International Affairs.

2—The investigation I have completed leads me to the following conclusions: I am convinced that Luchaire's illegal operations were covered by members of Hernu's staff and his aide Dubos in particular. This belief is

substantiated not only by statements made by Admiral Lacoste, General Wautrin and chief engineer Durel, but also consideration of the following elements:

Warned since January 1984 by the Directorate of Protection and Defense Security of doubts about the real destination of shipments loaded at Cherbourg by Luchaire and the actual arrival of such shipments in Bandar-Abbar (Iran), with few exceptions, the staff neither issued unfavorable rulings on the company's export authorization applications nor suspended authorizations already issued.

It did not order the investigations into Luchaire's activities recommended by the Directorate of Protection and Defense Security and the CGA.

It did not heed warnings from the General Foreign Security Directorate.

Dewavrin bears heavy responsibility in this matter. His concern for remedying the very grave situation in which his firm found itself and the at least passive complicity of the government cannot excuse his fraudulent conduct.

Along with him, I believe that the attitude of Hernu's staff was motivated by economic and social concerns, which does not exclude the payment by Luchaire of sums (whose total amount is reportedly some 3 million francs) to the Socialist Party through Falcoz.

Within the departments of the Ministry of Defense, few persons were aware of the option chosen by Hernu's staff vis-a-vis Luchaire's irregular exports: very probably ordnance officer Blanc, general munitions representative; more certainly ordnance officers Cauchie, Audran and Arnaud, successive directors of international affairs; and probably a few deputy directors in that office, particularly Allely, despite his denials. Moreover, the Directorate of Protection and Defense Security and the General Foreign Security Directorate, by 1984, and later the General Armed Forces Control sensed that the matter was being covered up by the government.

Lacking formal proof, I cannot say that active assistance was given by the Directorate of International Affairs to Luchaire in preparing its export authorization applications. In my opinion, the successive deputy directors of war material commerce control were content "not to see" the irregularities, acting on confidential instructions from the staff or their director.

Zone officers responsible for examining the consistency of export requests with the needs of the alleged end user countries did not always demonstrategreat perspicaciousness, but I have no doubt about their good faith.

Not warned about the suspicious action of Luchaire, the officers and officials on the Armed Forces staff, the General National Defense Secretariat and the General Directorate of Customs and Indirect Duties which are

involved in the process of considering export requests did not have adequate means to oppose the apparently proper applications of the company.

3—Certain areas remain vague: particularly the exact date on which Hernu's staff reportedly gave the green light to Dewavrin; the political level bearing responsibility for the matter (staff aide, minister, prime minister, the Elysee?); what channels were used by Luchaire to obtain compliance certificates or fake certificates; what financial circuits were used, and so on.

4—Finally, I believe there are two lessons to be learned from this affair: Large-volume fraudulent exports are discovered sooner or later. The government has nothing to gain by backing them, for by doing so, it harms the country's prestige or brings the reliability of our procedures into question.

Cumbersome and slow, the system for overseeing exports of war material, arms and munitions is therefore not perfectly reliable. The ease with which Luchaire was able to obtain (thanks to the production of fake documents and the deliberate passiveness of certain individuals, it is true) munitions export authorizations for countries that were not the actual end users proves that the system is flawed. We must study measures to be taken to improve its effectiveness.

Dubos Denial, Dumas Silence 35190019a Paris LE FIGARO in French 4 Nov 87 p 6

[Article by Pierre Pellissier]

[Text] Yesterday, without any transition whatsoever, we progressed from the "Luchaire case" to the "Luchaire scandal," resulting from the morning publication of the first excerpts from the now famous Barba Report. It was precisely that report, which LE FIGARO will publish in its entirety this morning, whose "defense confidential" declassification Judge Michel Legrand requested yesterday, in what was a purely legal move, inasmuch as he had received the document himself on 14 October. However, he could not place it in the file because of that classification. Nor could he hear Jean-Francois Dubos, who was protected by that official classification.

The Barba Report, named after the Armed Forces comptroller general entrusted with the investigation by Defense Minister Andre Giraud, is now more than just a rumor: It is an accusatory document, one that reveals that Francois Mitterrand had known about the case since 21 May 1984, that Charles Hernu, informed 3 days later, had been entreated to look into the matter. Furthermore, the document makes it possible to identify such minor participants as Andre Falcoz and Francois Diaz and exposes the decisive role played by Jean-Francois Dubos.

And yet, beyond the information included in the Barba Report, which was only concerned with munitions trafficking, without having to conduct an investigation into the circumstances of the financial arrangements, there are other problems, problems involving politicians who, in recent days, have been most anxious to deny the information suddenly leaking out from everywhere.

For example, Dubos, implicated in various manners, particularly for having repeatedly tried to silence the matter, was still claiming yesterday that he had "never given to any company any express or tacit authorization to export arms to Iran." In a press release, his attorney, barrister president Jean Couturon added that Dubos "categorically denies having covered up any operation whatsoever aimed at financing a political party."

"Reservations"

But Dubos also found a parry: the right to have reservations! His attorney's text concludes as follows: "Mr Dubos cannot discuss the statements reportedly contained in a report by the comptroller general of the Armed Forces with whose contents he is not familiar. He expresses absolute reservations about the remarks and attitudes attributed to him. Abiding by his duty to harbor reservations, he has no intention of becoming involved in the controversy aroused by this case."

Today, thanks to LE FIGARO, Dubos knows what suspicions are leveled at him. Like Pierre Joxe, moreover, who was also demanding immediate publication yesterday: "It must be published in its entirety or we must be provided with explanations of why it cannot be published."

The situation of former Minister of Foreign Affairs Roland Dubos, a very close adviser to the president, is more ambiguous. In fact, in order to show that many persons in socialist circles knew of the trafficking, Comptroller General Barba states that at the end of 1985, Dumas took action regarding LE CANARD ENCHAINE to prevent the weekly from revealing the affair

Unlike other prominent socialists, Dumas does not deny his intervention, but he gives it another significance: It reportedly took it upon himself to ask the weekly publication to postpone an investigation into the arms sale to Iran in order not to impede negotiations underway for the release of French hostages.

LE CANARD ENCHAINE confirms having postponed the publication "solely to protect the lives of the hostages." "If we had to do it all over again, we would make the same choice," LE CANARD writes. "Our investigation was finally published in LE CANARD's columns a few days after LA PRESSE DE LA MANCHE carried the first article on the Luchaire affair."

Actually, if there were many in the PS who asked for publication of the Barba Report, their wishes have now been fulfilled, which is not the same thing as satisfied!

Mitterrand Responsibility Examined
35190019a Paris LE FIGARO in French 4 Nov 87 p 6

[Article by Jean Bothorel]

[Text] Once again, the responsibility of the chief of state appears to be deeply involved in the latest "scandal" [affaire] that has shaken the Socialist Party. The president is in fact the last security bolt when there is a risk of a slip in an operation involving both defense secrecy and diplomacy. In the two major scandals that will unquestionably leave a stigma on this 7-year term: sabotage of the "Rainbow Warrior" and the Luchaire case, one essential question is posed: What is Francois Mitterrand good for?

Concerning the weapons illegally sold to Iran, according to Comptroller General Barva's report, the chief of state was warned by Admiral Lacoste, then head of the DGSE, as early as 21 May 1984. Mitterrand reportedly asked the admiral to speak to then Minister of Defense Hernu about the matter, which Lacoste did on 24 May, but in vain.

Insofar as France has officially decided to suspend any sale of munitions to Iran since the spring of 1980, the problem made known to the rpesident by normal channels obviously deserved his close attention. Otherwise, he understands nothing about his role.

This "followup" did not take place because Hernu and his aide, Jean-Francois Dubos, in no way modified their plan, unless Hernu convinced Mitterrand of the soundness of the operation, naturally.

Whatever the case, the chief of state, acting with full knowledge, allowed arms sales that were totally contrary to France's commitments.

Is his attitude not far more reprehensible than that of Ronald Reagan? It was never established in the notorious "Irangate" that the American President had previous knowledge of the dealings underway.

In contrast, Mitterrand knew and did not lift a finger.

His behavior is to be compared with what he did in the Greenpeace scandal. We know that the operation itself was conducted in the most classic manner, with the DGSE taking control as soon as the political decision to sink the "Rainbow Warrior" was made. Furthermore, the Elysee was regularly informed by DGSE officials of how the operation was proceeding.

Finally and very quickly (48 hours after the attack), the chief of state and the prime minister were warned of the possible grave fallout for France, inasmuch as one man had been killed and two of our agents were questioned, the phony Turenge couple.

Despite this flood of information, the Greenpeace affair would illustrate the impotence of a government caught in the trap of its own lies.

Are we to witness a remake of the same scenario?

Actually, as in the Greenpeace scandal, the lack of responsibility and distrust regarding the main protagonists are the key words in the Luchaire affair. As in the Greenpeace case, there was apparently no frank explanation between Mitterrand and his defense minister, Charles Hernu. How is this possible in such a sensitive, high-risk area?

For the time being, while claiming never to have backed a sale of shells to Iran by his authority, Hernu lied. So did his aide, Jean-Francois Dubos. As for Roland Dumas, who spoke "of a ridiculous, base maneuver to which the government holds the key," he was visibly among those who new the most about the whole affair.

Which makes three lies. Now we are waiting for Mitterrand's version. In the United States, Great Britain and the Federal Republic of Germany, any high official so gravely implicated in an official document would be forced to provide explanations.

11464/7310

GREECE

Bill on Defense Industry Organization Ignored 35210037c Athens PONDIKI in Greek 20 Nov 87 p 23

[Excerpt] Today we are publishing a total of five articles of the bill relating to the Defense Industry Service (YPAV)—articles that, of course, are of (very great!) interest:

Article 10

Purpose of the YPAV

The purpose of the YPAV is to provide the prerequisites and the dynamic parameters for improving the performance of the Greek defense industries and light manufacturing companies, and for satisfying to the greatest possible degree, the armament needs of the Armed Forces under economically beneficial conditions.

Article 11

Areas of Jurisdiction and Powers of the YPAV

The areas of jurisdiction of the YPAV are:

- 1. The evaluation and assessment of the infrastructure of those industries in the private and public sectors that produce defense materials of any kind.
- 2. The assessment of the expansion policy of each industry and the submission to the YFEThA of a coordinated long-range program of state investments and production.
- 3. The overseeing and annual auditing of accounts of the defense industries under the superintendence of the YEThA [Ministry of National Defense].
- 4. The monitoring and assessment of the process of realization of agreements signed by the defense industries overseen by the YEThA.
- 5. The planning, negotiating for, and promoting of a policy of countervailing benefits in the defense-industry sector, and monitoring the realization of the relevant agreements.
- 6. In cooperation and, depending on the case, joint responsibility with the YAPE, the assessment of the opportunities open to the domestic defense industry of the public and private sectors, as well as of the repercussions on industry and the economy more generally from new investments and orders for weapons systems.
- 7. In cooperation, and depending on the case, joint responsibility with the KEAT and the YAPE, the pursuit and concluding of intergovernmental agreements on joint production of defense materials and technology transfer, and the facilitating and monitoring of these (IEPG, DICA, MOU, and so forth).
- 8. The planning, budgeting, and fashioning of support for Greece's defense industries in the form of investments by the State and programs of promoting Greek defense products in the suitable markets.
- 9. The assigning and commissioning to domestic defense industries the implementation of programs that arise from intergovernmental agreements, offsets, and arms programs.
- 10. The requisite powers for the realization of the objectives of the YPAV are the same as the powers of the YAPE, as described in Article 9.

Article 12

Structure, Administration, and Functioning of the YPAV

The YPAV is organized on the basis of directorates and departments, each with a specific subject of operations and oversight. These units are established by decisions of the appropriate YFEThA. The personnel of the YPAV can be either civilian or military.

The YPAV is headed by a special secretary, who is appointed by decision of the appropriate YFEThA.

The manner of functioning of the YPAV is defined by its internal rules and regulations, which are approved by the appropriate YFEThA following a recommendation by the special secretary.

In connection with the personnel of the YPAV, what is contained in Article 7 of the present bill concerning the personnel of the YAPE is in force here also. Wherever Article 7 refers to the term "general director," the special secretary is meant in the case of the YPAV.

Article 13

Creation of a Defense Industry Council (SAV)

For the purpose of better coordination and planning with respect to the Greek defense industries, a Defense Industry Council (SAV) is created by the appropriate YFEThA. This council has the character of an advisory-consultative board. It consists of:

- 1. One representative each from the Ministry of National Economy, the Ministry of Industry, the EOMMEKh [Hellenic Organization of Medium- and Small-Size Enterprises and Handicrafts], and the ETVA.
- 2. The chairmen of the EAV [Greek Aircraft Industry], the EVO [Greek Arms Industry], PYRKAL [Munitions and Cartridge Company], the ELVO, and the Ellinikon Shipyards.
- 3. The general directors of the KAET and the YAPE.

The special secretary at the head of the YPAV presides over the SAV.

The above articles are followed by Chapter IV (Articles 14-36), which concerns the organizing, structure, functioning, financing, and manner of establishment of institutes of the "Center for Defense Research and Technology" (KEAT), whose "philosophy" is presented in the introductory report that we have already published. Chapter V (Article 37) is next, with the transitional provisions for YAPE, YPAV, and KAET—the basic points of which we are publishing below.

Article 37

Initial Functioning of the KAET, of the YAPE, and of the YPAV

The initial functioning of the KAET, YAPE, and YPAV comes about through ministerial decisions, which are also the means for the appointment of the first general directors of the KAET and the YAPE and the special secretary of the YPAV. For these initial appointments the opinion of the SVEEP is not necessary, assuming that it has not yet been formed.

Because of the rapid approach of the initial transition period, the first general directors of the KAET and the YAPE can be temporary or acting directors, appointed by the YFEThA in terms of private-law employment relationships, based on the qualifications that the law stipulates.

For the initial staffing of the directorates and departments of the YAPE and YPAV as provided for by the present bill, 25 positions are being created for the YAPE and 25 for the YPAV, which are to be filled temporarily by YFEThA selection or that of ministers with joint responsibilities. The normal structure, organization, and functioning of the YAPE and YPAV will appear through the issuing of presidential decrees as provided for by Articles 7 and 12 of the present bill. A time allowance of 6 months is stipulated for issuing these presidential decrees.

12114

PORTUGAL

Reported Official Attitude on F-16 Transfer From Spain

35420023 Lisbon EXPRESSO in Portuguese 14 Nov 87 p 4

[Article by Jose Manuel Saraiva: "How the F-16 Stopped Coming to Portugal"]

[Text] From a tactical and logistic standpoint, Beja is not an ideal alternative to Torrejon as a base for today's most sophisticated fighter plane—the F-16. The increased distance between the Portuguese runways and the possible theater of operations in the eastern Mediterranean might in some way make the missions these planes are used for more vulnerable. Moreover, the lack of adequate infrastructure for keeping the F-16 on bases in Portuguese territory is an enormous problem that can only be solved if the United States can come up with huge budget allocations to install them, something which the U.S. Congress opposes.

The United States is not interested in transferring the 72 F-16 planes from the military base at Torrejon de Ardoz in Spain to Portugal, according to what EXPRESSO learned from a source linked with the U.S. Defense Department in Washington.

This lack of interest seems, at first glance, to stem from the fact that Portugal is not located within what defense specialists regard as the "ideal area" for launching operations in the event of an armed conflict in the eastern Mediterranean region.

Another logistic aspect, equally as important as the previous one, has to do with the fact that the Portuguese bases do not have an appropriate infrastructure for the squadrons made up of the most sophisticated fighter planes at present.

A possible transfer of the U.S. fighters from Spain to Portugal would entail large expenditures by the United States, not likely to be approved by Congress, whose members—mainly Democrats—are in favor of drastic budget cuts to reduce the federal deficit.

You will recall that these problems are arising as a result of the Spanish Government's refusal to agree to an automatic renewal of the current Agreement of Friendship and Cooperation with Washington, which lapses on 14 May 1988. Under valid accords, the treaty will remain in effect for one more year, but as of that date the legal basis for the facilities made available to the United States for stationing its troops on Spanish territory will be null and void.

Air Force Wants the Planes in Beja

However, there are some sectors of the Portuguese Armed Forces which would not be opposed to transferring the F-16 to Portugal. Military sources contacted by EXPRESSO assert that an overwhelming majority of Air Force pilots and technical personnel believe that the presence of those planes on Portuguese bases would allow them "extremely positive" professional contacts.

No other than Armed Forces Chief of Staff General Lemos Ferreira, who is himself a pilot and aviator, has already made it quite clear that he would not be opposed to the idea of transferring these planes to Portugal. From an official standpoint, however, the military's position is very discreet.

The government has also kept its opinion on this affair reserved. The ambiguous statements made by National Defense Minister Eurico de Melo regarding the possible transfer of the aircraft to the Beja base have conveniently failed to clarify the intentions of the Lisbon authorities. Even the prime minister was not very clear in his initial comments on this matter. It was only the day before yesterday, at the end of his visit to Madrid for a summit with Felipe Gonzalez, that Cavaco Silva indicated a more solid position.

"It is going to be very difficult for Portugal to approve any request to install the F-16 fighter bombers currently located in Spain in our territory," the Portuguese chief of state explained. At a press conference in the Spanish capital, Cavaco Silva implied that his government would rather not be confronted with a U.S. proposal to transfer the planes from Torrejon to Portugal.

Sources linked to the National Defense Ministry who asked to remain anonymous disclosed to EXPRESSO that the government's relative silence is attributed to the fact that the U.S. authorities have never presented a proposal on the problem. This information is along the same lines as what was reported by our correspondent in Washington, who said that the Defense Department is not interested in transferring the F-16 to Portugal for tactical and logistic reasons.

Washington Has No Alternative

We still do not know whether Washington has chosen an alternative to Torrejon for installing the three F-16 squadrons. What we do know is that the United States is continuing to exert pressure on Madrid authorities, despite the firm stand taken by Felipe Gonzalez.

At a recent meeting between the Spanish defense minister and Caspar Weinberger during the annual meeting of NATO's Nuclear Plans Group in Monterey, the U.S. secretary of state made some statements that gave rise to controversy. In referring to the importance of stationing the fighters on the Spanish base, especially in the light of the agreement between Washington and Moscow to eliminate short- and medium-range missiles in Europe, Weinberger insisted that the aircraft had to remain "in this area, this zone," without specifically mentioning Spain.

NATO Secretary-General Lord Carrington also said recently that the Spanish Air Force had given no guarantees of replacing the United States on missions it undertakes as part of the Atlantic Alliance. The French Government has adopted a more or less identical position; its authorities advocate a plan under which Portugal would be chosen if Spain should decide definitively to refuse to keep the F-16 on bases in its territory.

Military observers, however, believe that a transfer of this aircraft to Portugal would considerably increase the distance between the base and the possible theater of operations, with all the ensuing disadvantages. This factor, which the Americans do not want, would lead to logistic complications, possibly enhancing the vulnerability of operations in which the fighter-bombers were used.

09805/06091

Measures Advocated To Avoid Spanish Supremacy in NATO, Defense

35420032 Lisbon DIARIO DE NOTICIAS in Portuguese 8 Dec 87 p 7

[Article by Virgilio de Carvalho: "Perestroika and the Mobility of Borders"]

[Excerpt]

Consequences of the INF Treaty

Suspecting the possibility that the treaty for elimination of the INF may be the beginning of the withdrawal of the Americans from Europe, the European allies of the United States are said to be seeking ways of maintaining their deterrent capability through reinforcement of te European pillar of the Atlantic Alliance. But Washington insists that, come what may, it will never abandon the defense of Europe, because it is part of its own defense. It can be deduced from that that both Washington and

Moscow consider that a swerve by Western Europe toward the Soviet orbit, or merely neutralism, would geopolitically unbalance the world in favor of the East. It is for that reason that Western Europe is going to continue to be the primary target of East-West competition, to be reflected in the conflicts in Southern Africa, Central America and the Gulf, and even in ambiguities regarding reductions of nuclear and conventional weapons, and Star Wars itself, which the USSR is also likely to desire and to achieve.

The 'Perturbing' Spain

Spain is offering to cooperate with NATO commands in areas that it considers in its "strategic interest." Perhaps also-like the USSR, which alleges that it is capable of being threatened from Western Europe or Iran, or the United States, which says that it can be attacked over the Canadian Arctic—to contrive circumstantial pretexts so that, by controlling the waters around the Iberian Peninsula and its airspace, it may achieve the status of dominant power in the region that it has always coveted. While that pretension would be understandable with reference to the Balearic-Canary Straits, it would be unacceptable with reference to the geostrategic space that makes viable the individuality and the negotiating power of Portugal in the Eastern Atlantic; moreover, because it perturbs the solidarity between allies, which must constitute the essence of NATO.

Risky Internationalism

Portugal's membership in the European Community and participation in NATO should also be considered circumstantial objectives. That being so, like the classic "Atlantic option," they must also be pursued with the concern of guaranteeing the historic objective of the preservation of the country's individuality and freedom of action in relation to Spain. It is for that reason that linking the interior with the coast and the ports of Continental Portugal should merit the highest priority to prevent it from becoming more linked to the ports and coast of Spain through the economic integration of the border regions. Likewise deserving of the greatest attention is everything that, however "European" it may appear, tends to make Madrid the perceived capital of the region, through land transporation and cultural, economic, and defense relations. Portugal needs to be perceived by others as a First World country through worthy participation in the European Community and in NATO. Otherwise, the Portuguese-speaking world itself-where Spanish is penetrating by way of cooperation with Mozambique and Angola, and in the latter even more by the unending Cuban presence-could become sensitive to the offensives of Ibero-Africanisms and Ibero-Americanisms that tend to subordinate Portugal. Brazil itself, where it has already been proposed that Spanish be made the second language in border areas, may come to be tempted to hesitate between Madrid and Lisbon, if Portugal is actually subordinated.

The geopolitical sense and instinct of sovereignty of the Portuguese will cause them to understand that it is imperative to link a patrimony as valuable as the mines of Neves Corvo to Sines or Setubal, and not to Huelva, so that Portugal may not appear to be a Third World country. Similarly, to exercise sovereignty in the territory and in the sea and airspace defined by it to avoid providing a pretext for the spreading of Spain to the geostrategic patrimonial of Portugal. By exercising its presence and vigilance in behalf of Atlantic security in its geostrategic space in peace time, and combined with allied reinforcements in case of an East-West war, Portugal has sufficient capability to preserve its sovereignty in that space. Since, in case of an East-West war only the United States will really be able to defend the region and not Spain alone (regardless of whatever means it may have), it will really be better for Madrid to accept the complementary nature of the respective geostrategic patrimonies without ambiguity, as fortunately appears to be its present disposition. The areas of economic, cultural, and defense cooperation really have risks. For Portugal, given its composition, location, and territorial importance, such risks may even be the retreat of "borders," if what cannot be accepted is ignored.

08711/7310

SPAIN

'Record' Arms Sales, Manufacturing Firms Detailed

35480041 Madrid PANORAMA in Spanish 30 Nov 87 pp 86-93

[Article by Enrique Montanchez: "The Spanish Arms Sales Business"]

[Text] Manufacturing and exporting Spanish weapons to warring countries has become a highly profitable business. Now, combined with the rearming in the Persian Gulf, because of the Iran-Iraq war, there is the beginning of a 'golden age' in Europe, which will be increasing its conventional weapons following the reduction in nuclear missiles. The state is the leading promoter of the Spanish military industry which, this year, will break the foreign sales record with 180 billion pesetas.

The Spanish exporters of military equipment will close this fiscal year with the largest profits in their history, owing to the Iran-Iraq war and the arms race that this conflict has triggered in the Persian Gulf region.

Spanish weapons exports which, in 1986, accounted for 60 percent of foreign sales, with 150 billion pesetas, will stand at about 72 percent at the end of 1987, exceeding 180 million pesetas, according to unofficial estimates from the General Directorate of Weaponry and Ordnance (DGAM), an agency of the Defense Ministry which regulates and controls the activities of the Spanish arms industry.

MILITARY

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The so-called "low-intensity wars" in the Arab world and Africa have become the most profitable market of the Spanish military equipment and ammunition firms, since they are conflicts which, in many instances, use conventional arms systems that are not overly complex.

The Spanish Defense Ministry is following with great interest the negotiations for the elimination of short-range missiles in Europe, after the Reagan-Gorbachev meeting, because, as this weekly publicationwas told by a high-ranking member of that department, "this will simultaneously reinforce NATO's conventional forces."

Participation in supplying weapons to Europe could become a fabulous business for the Spanish military industry. The plans for joint manufacture of weapons systems that Spain currently has under way with Atlantic Alliance member nations, such as the Federal Republic of Germany, Italy, Great Britain, and France, will be heightened upon the disappearance of part of the nuclear component weaponry in the European scenario.

Investments in defense account for nearly half of the state's investments; something which, according to the experts, clearly confirms the fact that "the state's investments are becoming specialized in military activities," as noted in a report on the Spanish arms trade published by the Research Center for Peace.

During 1987, the Defense Ministry's spending on military equipment purchases amounted to 350 billion pesetas, only 30 percent of which involved purchases made on the foreign market, excluding payments for the FACA program airplanes. For the 1990's, the government calls for between 85 and 90 percent of the Defense Ministry purchases to be in the form of products manufactured in Spain or produced jointly on the NATO market. This means that, during the coming years, the defense industries sector will be the one with the largest growth in the Spanish economy. Business will be excellent for the weapons manufacturers. One fact attests to the foreseeable growth in the Spanish arms industry: During the past 4 years, there has been a change from allocating 700 million pesetas for research on new weapons systems and technologies to 15 billion, not counting the funds appropriated for this same purpose by private industry.

The current weapons production in our country is intended to supply both the domestic market and that for exports, with constantly increasing prosperity, owing to the regional wars. The countries purchasing Spanish weapons are the very ones that are in the front line of fire.

How are Spanish weapons reaching the nations at war, when the government has expressly banned military trade with Iran, Iraq, Angola, and Morocco...? The Arms and Explosives Foreign Trade Regulatory Board, created by a royal decree in 1978, and comprised of general directors of the Defense, Foreign Affairs, Economy and

Finance, and Industry and Energy Ministries, is the agency responsible for prohibiting shipments to warring nations, or those under the UN veto.

For any transaction, the exporting firms must submit to this board a certificate of "final destination" of the shipment. The companies forge the document. Nothing prevents them from allowing the weapons which arrive in Lebanon by ship to change vessels and head for Iranian ports.

The administration and government are aware of these transactions. The Higher Center for Defense Intelligence (CESID), the military secret service, employs considerable human and economic resources for procuring timely information on this entire fraudulent trade. Individuals close to the defense minister, Narcis Serra, have commented privately: "We are aware of these operations, but if we don't engage in them, other countries will; and the money that Spain earns is necessary for use in research and development on leading technologies that will enable us to be in the European competition."

During the past 4 years, Spain has exported weapons to the following warring countries: Iraq: 24 BO-105 attack helicopters (the transport version, suitably outfitted with machine guns, cannon, and missiles, becomes an attack type), manufactured by Aeronautical Constructions,Inc, (CASA) under a German patent; 106 mm recoilless cannons from the Santa Barbara National Enterprise; BMR armored vehicles from the National Automotive Enterprise, Inc (ENASA); and aviation ammunition and bombs from Alava Explosives (EXPAL); as well as mortars.

Iran: aviation bombs, 60 and 81 mm mortars, miscellaneous ammunition, and Land Rovers manufactured by ENASA.

Morocco: 106 mm recoilless cannons, mounted on Land Rovers; BMR vehicles; EXPAL aviation bombs; ammunition; and, prior to 1982, a corvette of the "Descubierta" class, and six patrol boats. The land equipment is used by the Moroccan Army in the war against the POLISARIO [Popular Front for the Liberation of Saguia el Hamra and Rio de Oro]in Western Sahara.

Somalia: M-4l battle tanks, converted in Spain by Talbot; six C-212 Aviocar transport planes made by CASA, which can be outfitted with cannons and anchorage for bombs under the wing foils; BMR trucks and armored vehicles; two patrol boats of the "Cormoran" class, built by Bazan National Enterprise; and 300 Bultaco military motorcycles.

Countries which are not at war, but under military dictatorships, such as Chile, have purchased 37 C-101 airplanes from Spain, made by CASA. This is an advanced trainer aircraft which, when suitably equipped (as shown in the photo at the beginning of tis report),

becomes an effective plane for ground attack. Also purchased were four (Bazan) attack launches, (Santa Barbara) recoilless cannons and machine guns, and anti-interference equipment.

The racist regime of South Africa, a country under the UN boycott, has received short-barreled weapons (pistols and submachine guns) from the Astra, Inceta, and Llama Gabilondo enterprises.

The four leading companies in the Spanish weapons industry, Bazan, CASA, Santa Barbara, and CETME, have been majority sharers in INI's [National Institute of Industry] state capital. They have specialized in arms sales to the Third World, where there are "low intensity" conflicts; and they are also the most direct beneficiaries of Spain's NATO affiliation: Bazan is participating in the frigate program of the 1990's; CASA, in the future European combat plane (ACE); and Santa Barbara, in the battle tank of the 1990's. They alone have accumulated over 75 percent of the exports.

But this year, 1987, has been the most prosperous for the companies manufacturing bombs and ammunition. A board member of the Spanish Association of Weapons and Defense Ordnance Manufacturers [AFARMADE] claims: "In the cartridge, howitzer, and grenade field, the private companies in the Basque Country are having their heyday."

Based on its billing volume, he cites Esperanza & Co, of Marquina (Vizcaya) which, in addition to machine guns and mortars (a new model is awaiting adoption by the U.S. Army), manufactures ammunition of various calibers which it exports to Morocco, Jordan, and Qatar.

It is followed, in importance, by Alava Explosives, Inc (EXPAL), of Vitoria, specializing in hand grenades, mines, and rocket launchers, finding its market in Jordan, Morocco, and Argentina. Outside of theBasque Country, he stresses Instalaza (Zaragoza), specializing in the Latin American market of Chile, Peru, and Uruguay, to which it sells grenade launchers and ammunition.

In only a decade, the Spanish weapons industry has risen to eighth place in the worldwide ranking of exporters, and employs 70,000 persons. A fact hardly known to the public is that 4,000 Spanish business firms are associated with the weapons industry, because they are manufacturers of military equipment, or because they are suppliers of the Armed Forces, according to the registry of companies kept by the Defense Ministry's General Directorate of Weaponry and Ordnance. Another 350 firms produce civilian equipment which, in the event of war, could be incorporated into defense products. The numbers of workers serving the Spanish military industrial complex amount to nearly 200,000.

The spectacular growth of this sector, the largest in the Spanish economy, has run parallel to the new responsibilities assigned to Spain by the Atlantic Alliance. By

1992, over 350,000 Spaniards will be employed in jobs directly or indirectly related to the military industry. In 1987, every Spaniard spent 28,300 pesetas on defense; and by 1992, the figure will have doubled. Weapons have become the best and soundest business of the state.

2909

Poll Reveals Widespread Opposition to Military Service

35480036 Madrid CAMBIO 16 in Spanish 29 Nov 87 pp II-V

[Excerpts] Madrid—The vast majority of Spaniards are opposed to compulsory military service, as one infers from the poll taken by Emopublica for DIARIO 16: 17 percent do not think that any service should be rendered to the state and, among those believing that it should be performed, only another 17 percent are in favor of its being of a military nature.

Only 14 percent of Spaniards think that compulsory military service should be rendered as currently stipulated in Spain. This figure shows the rise in the tendency against the "mili," compared with the poll published by the magazine CAMBIO 16 2 years ago, in which 28 percent expressed opposition to military service.

At present, according to the data from the poll, although the differences are not considerable, it is among those describing themselves as being left of center that the lowest percentage of persons favoring compulsory military service appears. The right has the highest percentage.

It is the individuals of an age closest to that of the "mili" who show a higher percentage opposed; a percentage that is even higher among those who have had advanced schooling. But, over and above all these figures, with regard to rendering service to the state, there is a definite majority expressing approval of the performance of civilian service.

As for its duration, with the current situation as a reference point, 3 percent of the citizens regard it as being too short, while 36 percent describe it as too long. The views of its being long and normal have virtually the same percentage. In this regard, it is also persons between 18 and 30 years of age who show the highest percentage, 51 percent, opposed to the excessive duration of military service.

As for whether or not women should perform military service just as men must, over half of those polled, 57 percent, do not believe that they should do so, as compared with 36 percent who claim that they should. Strangely enough, the difference between the men and women queried is slight. For example, those of the male sex favoring the female soldier number 40 percent, while the total among females is 33 percent.

MILITARY

Nevertheless, those who do not want to see women in the Army ranks are divided, in turn, almost in the same proportion, between those favoring civilian service for women, 45 percent, and those opposed to their rendering any type of service, numbering 47 percent. In this respect, the trend among those between ages 18 and 30 of voicing opposition to any type of service, whether it be civilian or military, without any noteworthy difference between males and females, is maintained.

Of the entire sample, there is a definite majority, 85 percent, who think that the soldier should earn a salary, even though military service is compulsory. The professional nature of the Armed Forces, among those who believe that military service should exist, is another point to be stressed: 64 percent back this possibility, with the highest percentages reached among the right and the extreme right, university graduates, and persons between the ages of 31 and 45.

Insofar as the dangers in military service are concerned, it so happens that the percentages are virtually the same. For example, 47 percent consider it dangerous, while 49 percent observe no danger in military service; with no appreciable differences shown on the basis of the political self-description, sex, age, or schooling.

Other significant elements gleaned by the Emopublica poll are the region in which the military service must be performed, or the existence or non-existence of quota leave, in exchange for a shorter "mili."

In the first instance, an overwhelming majority of the sample, 83 percent, favor military service being performed in the region of origin, with the highest percentage appearing among women.

There is also a large majority of those polled, 75 percent, who do not favor the existence of the quota leave, in exchange for a shorter "mili," as opposed to 17 percent favoring the present system, and 4 percent who are indifferent.

A reduction of over 12,000 men in the compulsory recruitment contingent, and better technical quality in the performance of specific military tasks are the main hopes that the Defense Ministry has vested in the notice of the call for special volunteer service, in its two forms, A and B.

To be combined with the special volunteers who are to perform their service during 1988 are the 2,427 regular volunteers who will join the ranks during the four replacements in this draft.

In addition, also performing their military service as volunteers there will be 7,512 youths enlisted in the Relief Troops Unit maintained by the Spanish Red Cross, and 900 others who will do so in the Red Cross of the Sea, subordinate to the same agency.

The Special Volunteer service has appeared as one of the most important innovations of 1987, directed toward fulfillment of military service in the three military branches. Over the next 3 years, nearly 40,000 recruits will be called, the first 12,217 of whom had already been called since May of this year, with their incorporation achieved from August until 1 November.

Their duties, insofar as type A is concerned, are basically to complete the personnel of the special units. Type B, for its part, with a duration period of 3 years, compared with 18 months for the former, is, on the other hand, intended to provide technical professionalization. According to Defense Ministry sources, this was one of the reasons thatthe number of applications anticipated was exceeded, with 9,372 requests submitted for the 7,537 slots called for.

The regular volunteers have received 924 enlistments in the Army, 123 in the Navy, and 1,425 in the Air Force, for this draft. Virtually all the young volunteers will serve their 16 months in their locations of origin.

Special Units

77

Royal Guard Regiment: With quarters in El Pardo (Madrid); about 340 recruits are called annually.

Auxiliary Civil Guards: They take instruction and engage in drills at Baeza (Jaen), from which they are sent to various destinations.

Paratrooper Brigade: Located in Alcala de Henares (Madrid), and Javali Nuevo (Murcia).

The Legion: From their quarters in Ronda (Jaen), the volunteers may leave for Ceuta, Melilla, or the Canaries.

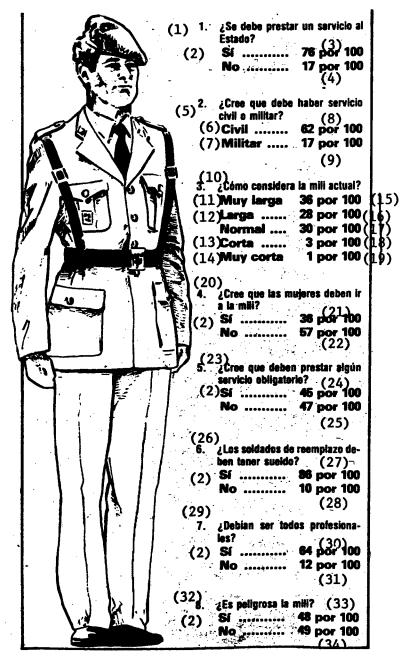
Special Operations Companies (COES): Distributed among various units throughout the entire territory.

Mountain Units: Located in the Pyrenees; the Skier-Climber units are quite typical of them.

Navy Corps (Marines): Structured into three corps, located in the capitals of the maritime zones, and in two groups (Las Palmas and Madrid).

Technical Record

National scope (except for Canaries) Universe: individuals aged 18 and over, with a telephone System: Telephone poll Size of sample: 1,223 interviews Error in sampling: plus or minus 2.9 percent Distribution of the sample: proportional to region and habitat Random selection of sample points Selection of individual by sex, age, and occupation quotas Date of field work: 30 and 31 October, and 1 November 1987 Implementation of field work and data processing: Emopublica and Association, Inc Planning and direction: DIARIO 16



Key:

- 1. Should service be rendered to the state?
- 2. Yes
- 3. 76 percent
- 4. 17 percent
- 5. Do you think that there should be civilian or military service?
- 6. Civilian
- 7. Military
- 8. 62 percent
- 9. 17 percent
- 10. How do you vie w the present "mili"?

- 11. Too long
- 12. Long
- 13. Short
- 14. Too short
- 15. 36 percent
- 16. 28 percent
- 17. 30 percent
- 18. 3 percent 19. 1 percent
- 20. Do you think that women should join the "mili"?
- 21. 36 percent
- 22. 57 percent

- 23. Do you think that they should render any compulsory service?
- 24. 45 percent
- 25. 57 percent
- 26. Should the replacement soldiers
- receive a salary?
- 27. 86 percent 28. 10 percent
- 29. Should they all be professionals?
- 30. 64 percent
- 31. 12 percent
- 32. Is the "mili" dangerous?
- 33. 48 percent
- 34. 49 percent

The majority of those polled came out against military service for women and only half thought women should perform civilian service.

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Key:

- 1. Service
- 2. Do you think that citizens should spend part of their lives rendering service to the state?
- 3. Political affiliation, self-described
- 4. Schooling level
- 5. Sex
- 6. Age
- 7. Extreme left
- 8. Left
- 9. Left of center
- 10. Center
- 11. Right of center

- 12. Right
- 13. Extreme right
- 14. No answer
- 15. Primary
- 16. Occupational training
- 17. Intermediate
- 18. Higher
- 19. Men
- 20. Women
- 21. Yes
- 22. Don't know/no answer
- 23. Civilian or Military
- 24. In your opinion, should this service be civilian or military?

- 25. Civilian
- 26. Military
- 27. Do you think that women should perform military service just as men do?
- 28. Duration
- 29. How do you view the current duration of "mili"?
- 30. Too long
- 31. Long
- 32. Short
- 33. Too short
- 34. Professional
- 35. In your opinion, should the Army be professional in nature?

FEDERAL REPUBLIC OF GERMANY

MBB Shows Profit, Has Contracts Extending Through 1990's

36200039a Frankfurt/Main FRANKFURTER ALLGEMEINE in German 19 Dec 87 p 15

[Article: "Messerschmitt-Boelkow-Blohm Manages To Make Profits Again—Favorable Developments in Defense Equipment/Corporate Sales Should Approach DM 10 Billion by 1992"]

[Text] The large German aerospace firm has climbed out of the red into the profit-making zone once again, more quickly than expected. This is by no means a highaltitude flight, though. MBB boss Hanns Arnt Vogels expects a "black zero" for 1987; which means a positive number of a few million DM. Favorable developments in defense contracts contributed to the improvement. A second DM 150 million contribution to the Airbus program will not push the 1987 results beneath the zeroprofit mark—in contrast to the previous year. The operating results from Airbus are seen as balanced and with that characterized as sufficient. This only applies, however, to the materials supplied to Deutsche Airbus GmbH-an intermediary. These products are tabulated in DM. Given the reduction in the dollar's exchange rate, the situation appears completely different in the sales of Airbus aircraft on the world market, where sales are tabulated in dollars. "The dollar situation is of concern to us," said Vogels. Another concern could also be the unresolved question of bond financing for the future long- distance versions of the Airbus family. Even in accounting for the Airbus A200, the dollar has long since gone past the threshold of pain which would allow for sale without taking a loss.

According to Vogels, business participation by Daimler-Benz alone could not solve the Airbus problem. This would certainly open the way for a corporate takeover, although Daimler-Benz has also made it unmistakably clear that this enterprise is not prepared to take the burden of the Airbus-risks on its shoulders without limitations. From MBB's point of view, participation by the Swabian concern would be attractive if the entire German aerospace industry could be restructured through it. This agrees with various statements from Untertuerkheim. In Vogels' opinion, a tightly-knit competition has been created in West Germany in the aerospace industry. The question of European, let alone world-wide overcapacity in this branch cannot be solved without a social and legal connection. It is a well known fact that the second German aerospace firm Dornier is a subsidiary of Daimler-Benz. Stronger leadership more oriented towards internal cost control and contracts should contribute to improving competitiveness. Closer proximity to the customer and greater orientation towards success should be reached through smaller autonomous operational centers and profit centers.

In this context, Vogels is supportive of the engagement of Karl-Friedrich Triebold (FRANKFURTER ALLGE-MEINE, 18 Dec 87) as the special deputy chairman of the board of directors and director of the corporate space division—the time of that appointment has not yet been set. Roland Mecklinger, also deputy chairman, responded to rumors by saying that he has arrived at MBB, he is staying and will stay on. It is in any case extremely difficult to introduce any leadership capacity into the MBB firm.

Vogels is convinced that the aerospace industry is going to have to adjust to fixed prices. "Cost-plus-five-percent belongs to the past." That will demand a change in mentality in many, and a change in the system. Despite the Airbus problems and the current mediocre financial expectations, MBB is proceeding with confidence into the future, said Vogels. He is basing that on foreseeable favorable contract and sales developments. The firm expects sales to have grown in 1987 from DM 5.6 billion to DM 6.2 billion, and has made intermediate plans for sales of DM 9.8 billion in 1992. The personnel complement is not to be any larger than it is today: about 37,000 employees.

Orders are coming in such that MBB can hope for stable production through the turn of the millenium. This is being insured by the Franco- German anti-tank PAH-2 helicopter, foreseen improvements to the PAH-1 helicopter, a series of international space programs (Columbus, Hermes, Ariane 5 Rocket) and purely national projects, and of course the production developments with Airbus. Here, for example, production of the smaller, quite successful A320 should be pulled up from 10 units in the current year (1987) to 29 and then to 57 aircraft in 1989. MBB is also thinking of military versions of the civilian Airbus—they have a tanker version in mind to begin with. Not included in these calculations is the contract for the development of the Fighter 90, which Vogels assuredly estimates will come no later than the spring of 1988. Concerning this massive military project, Vogels points out that given the superpower agreement on intermediate-range missiles, the conventional threat will become greater, "the Bundeswehr wants the Fighter 90." In MBB's opinion, there is an inseparable technical bond between the construction of commercial aircraft, military projects and space travel.

(Insert: In the framework of its diversification branches, MBB has founded "Phototronics Solartechnik GmbH" for the future-oriented market of photovoltaics, in which there have been many technical advances. Together with its cooperating partner, Total, MBB has brought a holding company to life in which the combined activities in terrestrial photovoltaics can be placed. The German aerospace firm also wants to further expand its activities in hydrogen technology. In addition to its current participation in Solarwasserstoff Bayern GmbH ("Solar Hydrogen Bavaria, Inc."), MBB is planning to form an R&D work group with the Linde AG and Hamburgische Elektrizitaetswerke AG companies. This work group

would pursue the development and creation of a midtemperature, high-performance electrolysis. The goal of these activities is to create hydrogen by the use of electrical energy from non-continuous sources of electrical current, such as temporary reserves from power plants, night-time current, and current from energy installations.)

13071

Increase in Oil Stockpiles

36200023b Frankfurt/Main FRANKFURTER ALLGEMEINE in German 29 Oct 87 p 15

[Article by Fue: "Increase In Oil Stockpiles"]

[Text] Hamburg, 28 Oct—The EBV, a public corporation that monitors emergency oil supplies, is increasing its stockpiles. The executive board said supplies will be increased by 6 million tons, of which 2.7 million tons worth DM 705 million, were already purchased during the 1986/87 budget year (on 31 March). For 1987/88, about DM 800 million are earmarked for stockpile increases. As always, these purchases are financed exclusively through credit.

There are two essential reasons for the need to increase supplies. First, significantly lower prices for middledistillates and heavy heating oil have led to increased sales, which in turn have created the need for increased stockpiles. Second, in September of last year, the Federal Government announced the introduction of an amendment to the oil stockpile law which provides that, starting 1 April 1988, EBV's minimum reserves have to last 80 days rather than 65, and that there will be limits on allowances which can be taken out for so-called delegated amounts. Such measures, says the executive board. will drive up costs, which in turn will lead to higher membership fees for producers as well as for distributors starting 1 April 1988. Membership fees will rise from 0.6 to 0.8 pfennigs per liter of petroleum product. In 1986/87, membership fees added up to about DM 645 million. A credit shortage of DM 96 million reduced this year's total budget surplus to DM 14.6 million. This includes a membership fee surplus of DM 111 million.

On 1 April of this year, total EDV stockpiles came to 18 million tons of petroleum products, of which 16.4 million tons were legally designated emergency supplies. This amount exceeded minimum requirements by 3.7 percent. Recent additional purchases have increased mandatory EBV reserves from 65 to 70 days. Together with the reserves held by petroleum refineries and the national crude oil stockpile, the FRG can count on a 115- day emergency oil supply. An emergency goes into effect when the present level of oil supply decreases by 7 percent.

SPAIN

ERT Reportedly Planning To Manufacture Missiles, Cannons

35480037a Madrid TIEMPO in Spanish 16 Nov 87 pp 131-132

[Text] Jose Maria Escondrillas has a plan well under way to enable Rio Tinto Explosives [ERT] to manufacture missiles in the province of Leon, which would entail an investment amounting to about 100 billion pesetas. Torras Hostench, which represents Kuwaiti capital in ERT, is opposed, and wants control of the company.

Jose Maria Escondrillas had a secret trick in his attempt to retain control of Rio Tinto Explosives, the company that he has headed for the past 5 years.

Escondrillas, overtly confronting its majority stockholder, Torras Hostench, and, ultimately, the Kuwaiti group, KIO (Kuwait Investment Office), played his trick, and spades are still high.

Escondrillas' plans call for the Rio Tinto Explosives Union to become converted soon into a manufacturer of the latest generation of antitank missiles, as was confirmed to this weekly publication by sources close to the company, the stockholders, and military circles. The missiles will be built in a plant located in the province of Leon. Explosives have reportedly reached a technological agreement with the American company, Hughes Corporation, and the investments are said to range around 100 billion pesetas.

In principle, the project has the backing of the Defense Ministry and of Narcis Serra himself. Explosives has everything ready so that, within a period of a year from the time when the go-ahead is given to proceed, the first missiles can be delivered to potential purchasers who have already expressed an interest in them. Most of the production will reportedly be intended for export.

Torras Hostench (with a 45 percent share of KIO), Explosives' largest stockholder, does not appear to favor this plan of Jose Maria Escondrillas, described privately as "nonsense," because it thinks that ERT would manufacture missiles considered to be "obsolete."

Jose Maria Escondrillas' plans for Explosives are more extensive in the realm of industries regarded as strategic and related to defense.

In addition to manufacturing missiles Escondrillas wants the company to build a new type of 155-millimeter cannon with a wide range, not currently being made in Spain.

The new cannon, which would be mounted on a truck, would have "very advanced" firing power, "and would change the conventional weaponry existing at present," according to sources close to the company.

(1) SOCHEDAD (2)	BOCIAL	CAPITAL (3) PARTICIPACION DE ERT (%)
Demox Oversess	Londros (4)	1,9 (2)	100
IDB, S. A	Madrid	326	100
Explosives Alaveses, S. A. (EXPAL) (5)	Aleva	600	100
Prode Alemeda, S. A	Madrid	30	100
Río Blast, S. A	Madrid	5	96,50
Talloros Blabl, S. A (6.)	Vitoria	20	55
Mechas del Sur, S. A. 474	Lima	5 (3)	30
	a Fo (Argentina)	1,2 (4)	42
	quine (Vizcaya)	400	. 40
IPEX	Lima	9,8 (3)	52,9
FOREXSA	Vitoria	600	25
MEXSA	Burges	940	25,01
EXTRA	Lieben (8)	290 (5)	24,08

Key:

- 1. Company
- 2. Corporate Domicile
- 3. ERT Share(%)
- 4. London
- 5. Alava Explosives, Inc
- 6. Biabi Shops, Inc
- 7. Southern Fuses, Inc
- 8. Lisbon
- 9. (1) millions of pesetas
- 10. (2)millions of pounds
- 11. (3)millions of intis
- 12. (4) millions of australes
- 13. (5)millions of escudos

Explosives already has the prototype ready, and its mass production is awaiting the solution of the company's internal problems, as well as the signing of a group of sales contracts for the aforementioned weapon.

At first, Explosives had considered building it in Navarra, but in view of the opposition and protests from the Herri Batasuna [Popular Unity] coalition, it decided to seek a different location. The existing prototype has been assembled with parts manufactured at different sites in Spain.

Top Secret

The two projects, the one to manufacture missiles and the cannon plan, had been classified top secret by the company. The entry of the minority-majority stockholder, Torras Hostench, when it attested to its status, forced Escondrillas to reveal his plans in the defense field. At that time, the first essential differences arose between Escondrillas and the Kuwaiti capital group, represented by Torras and Javier de la Rosa's associates.

The Arabs' initial interest in this project became direct opposition. Since a strategic area is involved, the Spanish Government would never allow foreign capital to control the project or, ultimately, the technology, in any way. Both sought their own support. Escondrillas found his in the defense minister, Narcis Serrra, a man claimed by his detractors as "wanting only to become minister of economy."

Torras, for its part, found its ally in the minister of industry and energy, Luis Carlos Crossier. Crossier believed (and still believes) that the entry of fresh money

into Explosives could represent a non-traumatic reconversion of the fertilizer sector, in which the company owned by Escondrillas has major interests.

Meanwhile, KIO, through Torras Hostench, has continued its investment process in Spain, and has carried out transactions in other firms in the chemical and food sectors, as well as banks (Central and Vizcaya). Its representatives deny that stockholder positions have been taken in the Bank of Bilbao and the Spanish Popular Bank.

KIO's banking interest prompted the sponsoring of a meeting at the Bankof Spain between Mariano Rubio and Juan Antonio Ruiz de Alda, on the one had, and Javier de la Rosa and Jose Pedro Perez Llorca, Torras' advisor, on the other. The Bank of Spain officials asked to be informed about the new operations that both KIO and Torras might be conducting in thebanking sector.

Bad Taste in the Mouth

The next to last episode in this story was the meeting held between Fuad Khaled Jaffar, vice president of KIO, and Carlos Sochaga, which was also attended by Manuel Guasch, president of Renault Espana, and advisor to Torras, who served as intermediary.

The government apparently wanted explanations regarding KIO's plans for Spain. Jaffar explained to the minister of economy and finance that its intentions were to continue the investments in our country, and that, for the present, they were not considering departing from here.

The temporary confirmation of this statement was the fact that, on the days of the worst declines in the Spanish stock exchanges, one of the few existing purchasers was Torras Hostench; which, as its officials note, also gave liquidity to all its securities, something that did not hold true of most of the stock shares quoted.

The same sources declare that, on the contrary, some of the leading foreign investors in the Spanish stock exchanges sold all their portfolios on those days and left.

These same sources remark: "No one has asked them for an explanation, but we, who are continuing to invest, have been requested to give one."

All those circumstances have left a bad taste in the mouths of the KIO associates, who complain of how they have been treated in our country. They maintain that, for the present, they intend to remain here, and that their investments are medium and long-term.

On the Explosives issue, they say that their intention is to wait for the situation to become clear. They will not call a special general stockholders' meeting, but at the next regular one they will assert their shares and backing. They oppose Escondrillas' plans to manufacture missiles and cannons, and want to remain in the company; although, they stress, "We would sell ERT shares in exchange for assets."

2909

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Details on Chronic Trade Deficit With USSR 35480040b Madrid MERCADO in Spanish 13 Nov 87 p 50

[Text] Spain has a large deficit in its trade balance with the Soviet Union, although Moscow does not recognize such a deficit, and considers our trade relations to be below minimum levels. The reason for this difference of opinion is to be found in Soviet petroleum (73 percent of Spain's imports from the USSR), which Spain buys on the spot market in Rotterdam. For that reason, the USSR says that it is not exporting this petroleum to Spain.

If petroleum is included, which seems reasonable, during the first 6 months of 1987 Spain's exports came to a value of \$153 million, and its imports amounted to \$364 million. These figures suggest that the total trade volume in 1987 will be between \$1 billion and \$1.2 billion.

For Spain this is a mythical figure. It would certainly be the largest trade volume in history (although in pesetas it would be similar to the 1981 trade figures). It would mean that 1986 trade activity had been doubled. But this still does not convince the Soviets when there are complaints about the status of trade relations. In past years Spain did not buy Soviet crude, due to its ridiculous prices, which were not governed by market laws. So, if petroleum is disregarded, trade is more or less the same as it was in 1986 (about \$500 million, with a small Spanish surplus). That was the year with the worst trade record in history since diplomatic relations were restored in 1977.

Soviet officials complain that in July 1986, 2 months after Felipe Gonzalez's visit to Moscow, Spain terminated the bilateral trade agreement that had been in effect since 1972. After Spain's notification of its intent to withdraw from this agreement, the USSR did not make up even 1 percent of Spain's foreign trade.

New Projects

Spain now exports primarily processed steels, minerals, chemical products and machine tools.

Still, a change may be expected to improve current trends. Spain is now in the process of negotiating a major contract to supply Soviet gas to the firm ENAGAS. Moscow will reportedly promise to offer compensation, by purchasing imports from Spain to offset 100 percent of its gas sales.

Another area auguring closer relations concerns joint enterprises, where there are plans for Spanish participation at levels much higher than in similar projects with other countries that now trade with the Soviet Union. By now a company to recycle urban wastes into paper (Jacinto Rua) has practically been set up, and the Nutricer (food products) and Kelme (sports footwear) projects are in very advanced stages. Also in the food sector, the Kas and Agrolimen projects are under study.

Political Obstacles

In general, all negotiations with the USSR have to face obstacles that have nothing to do with economics. A political decision kept AESA [Spanish Shipyards] from winning the contract to build eight lumber freighters (a contract worth 18 billion pesetas), even though its bid was the lowest, and its financing the best. The contract was won by other private Spanish shipyards, after persons with close Kremlin ties got involved in the negotiations.



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